

JUNE 22, 1956 • 50¢

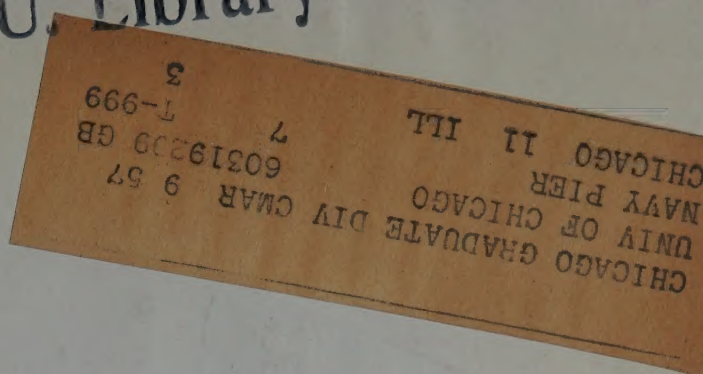
Tide

THE MAGAZINE FOR ADVERTISING EXECUTIVES

ad executives review the 15% p. 29

media define a house agency p. 27

american motors' problems & progress p. 31



SCHOOL TERRORIZED BY
RADIOACTIVE EXPLOSIV

Murderess Incites
Prison Riot

prison at Ch

a new concept in TV realism

... gets into the heart as well as the home

CODE 3

COMMUNITY THREATENED BY
JUVENILE GANG WAR

One Gets Lesser Term
Ward drew four years and
0,000 fine on Judge

CHILD LOST IN CANYO

mother can stay with the boy
are until I bring them back."

ARSONIST BUILDS FIRES
WITH COMIC BOOKS

Wife, Daughter Flee
the painters try to heat on



Gripping dramas based on real-life police cases which made front page news — taken from the files of the world-famous Sheriff of Los Angeles County, Eugene W. Biscailuz, creator of many *firsts* in law enforcement.

- 1,500 man organized reserve
- Volunteer mounted posse
- Aero squadron
- Police radio cars
- Honor system prison farms
- Youth rehabilitation centers

Phone, write, wire **ABC Film Syndication, Inc.**

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James F. Lewis, Champion's vice-president, keeps firsthand touch with all overseas markets where his company advertises. Here he embarks on a European trip via Pan American World Airways.

You can buy all editions—as Champion does—or any combinations of editions—to sell your best markets, without waste circulation.

In most of its 101 countries, the Reader's Digest gives you greater coverage than any other international publication.

The U. S. edition, for instance, has a circulation of 11,002,672* per month—reaching an estimated 36 million readers. Each issue reaches almost twice as many people as an issue of the next leading magazine.

The Digest is the world's only “truly international” publication. It “speaks the language” of your customers wherever it goes . . .

Editions	Circulation
Latin America (5 editions, 4 Spanish, 1 Portuguese)	1,622,796
Canadian (2 editions, English, French)	900,000
British Commonwealth (5 editions, English)	1,793,673
Western European (8 editions, 4 languages)	2,415,723
Scandinavian (4 editions, 4 languages)	900,530
Middle & Far Eastern (3 editions, 3 languages)	547,944
United States Edition	11,002,672*
28 Editions, World-wide total	19,183,338

This entire audience is available to advertisers at a special global rate of \$39,777 per black-and-white page.

More international advertisers invest more money in the Reader's Digest than in any other publication.

Last year alone, 2,706 advertisers used 17,824 pages!

Phone or write today, for the new booklet “Leading International Advertisers,” from Reader's Digest, 230 Park Avenue, New York City 17 . . . Fisher Bldg., Detroit 2 . . . Prudential Plaza, Chicago 1 . . . 6351 Wilshire Blvd., Los Angeles 48.

*As filed with the Audit Bureau of Circulations, subject to audit.

International Editions

Reader's Digest

World's Largest Magazine Circulation

ADVERTISING FORECAST

JUNE 22, 1956

Colgate's New Challenge to Dial, Lifebuoy:

After market testing in northern Ohio last fall Colgate Palmolive has now introduced in several Pacific Coast markets its new Deodorant Beauty Soap containing hexachlorophene and lanolin.

Obviously a challenge to the deodorant soaps Dial and Lifebuoy, Colgate's new entry is advertised in spot TV and newspapers as killing "up to 95% of odor-causing bacteria," also claims to eliminate skin odor for up to three days.

The new soap, packaged in black with side panels, trim and brand name in light pink, is still being distributed in Ohio (including Cleveland, Toledo and Youngstown). Although Colgate won't talk about national advertising or distribution plans, more than likely the new soap will be put into national distribution region by region.

Sears, Roebuck Heading for Network TV?

Though details are under wraps, the decision of Sears, Roebuck, traditional newspaper advertiser, to go into national magazines in September may be the prelude to the big retailer's debut on national network television.

Though Sears neither confirms nor denies the net TV possibility, it's well known that the Television Bureau of Advertising has pitched Sears for a year on the subject. Sears' full-page color insertions in eight national magazines may well forecast entry eventually in color TV. The magazine ad theme: a back-to-school promotion.

Sears, of course, has long sponsored local TV—almost \$10,500,000 of its whopping \$52,200,000 retail ad budget last year went into local TV and radio, circulars, outdoor and special promotions. The rest, of course, went into newspapers.

What may make Sears' net TV debut inevitable is the fact that its top competitor, Montgomery Ward, is testing TV with spots in 70 markets, might decide to enter network TV this fall. If Ward goes network, can Sears be far behind?

New Chance for Ad Allowances in Gov't Contracts:

Announcement of revised and tighter Armed Services Procurement Regulations covering cost principles affecting advertising by defense contractors has been delayed by the Pentagon pending analysis of a large number of suggestions and stout protests from trade associations and industry. Proposed in tentatively revised form in May as a step toward tightening up allowances for advertising which have let some advertisers include a portion of institutional advertising costs in approved expenditures, the regulations were interpreted by many firms to prohibit such expenditures, some of which have included some radio and TV costs, among other media. Possible effects of the final draft are important to all industry.

Participants in subsequent industry-defense department conferences said no national associations in advertising or sales functions had been consulted about these latest proposals. Trade groups which filed suggestions for a more realistic view of allowable costs of defense contractors advertising and communications needs included: Aircraft Industries Assn., Automobile Manufacturers Assn., Machinery & Allied Products Institute, National Assn. of Manufacturers, National Security Industrial Assn. and Radio-Electronic Television Manufacturers Assn.

General Electric Co. suggested that the proposed rules be amplified this way: "General institutional and educational advertising should be evaluated as the allowability in the light of direct and indirect benefits to government business. . . . Product advertising is a selling and distribution expense and should be allowable in accordance with paragraph 15-203.4 to the extent properly allocable to Government business." It also recommended that the line reading "All other advertising costs are unallowable" be excluded from the proposed regulations which are known as ASPR 2, Section XV, "Contract Cost Principles." Even the best of proposed revisions do not seem to fully meet provisions that would be best for national economy and its people.

Interested industries, trade associations, advertising agencies, individual advertising executives and publishers and broadcasters associations not previously consulted about this proposal, which wish to have their pertinent suggestions heard, should write, wire or personally present their suggestions to one or more of the following: Lloyd H. Mulit, Director of Requirements, Procurement & Distribution, Office of Assistant Secretary of Defense (Supply & Logistics), Brig. Gen. W. K. Ghormley, Purchasing & Contracting Policies Division, or Frank X. Brown, both of O.A.S.D.-S&L. Tide will also undertake to see that letters addressed to it are passed along to the proper officials.

Final outcome may be most important, not only in connection with ad-plans of contractors under proposed \$36 billion defense projects, but also as a precedent which may eventually ease tight Atomic Energy Commission curbs on advertising. The Pentagon is now in process of "codifying" the objections, but might issue revisions before major marketing and ad groups have been checked concerning their opinions of recommendations. Top advertising executives feel that eased regulations might improve public confidence in the total defense program and go far to help reduce intra-defense organization frictions recently aired on Capitol Hill.

New Product **From Coca-Cola?**

The soft drink industry is full of rumors that Coca-Cola is about to test market an orange drink in cities where orange is a top seller. (A recent survey by American Bottlers of Carbonated Beverages puts the nation's top orange consumption in the north central states, followed by the west, northeast and south.)

Coca-Cola Export Corp. now supplies ingredients from the U.S. to many foreign bottlers for orange and lemon drinks called Fanta.

If Coke makes such a move, it will be another break with tradition, forced by increasing competition in the soft drink field. Since the company was founded 71 years ago, it has made only cola syrup—it doesn't even make bottles, dispensers, containers and other merchandising appliances as many of its competitors do. Last year, Coke broke tradition, brought out a family size bottle, its first packaging change in 40 years. More tradition may go this year.

Perforated **Pages:**

This is the third issue of Tide with all its pages perforated. By tearing along the perforated edge you can remove any page easily and either file it or route it to your associates.

From preliminary reports this experiment has been favorably received by most Tide readers. We would appreciate, however, a postcard from you indicating whether you think this expensive process is worthwhile enough to you for us to continue it permanently.

*House agencies and agency compensation

On page 27 of this issue we have published a story describing as far as its possible to do so at the present time, just how some of the major media stand on the subject of house agencies. What makes the matter critical at the moment is, of course, the fact that several media associations will almost certainly be unable to exclude advertising agencies merely by virtue of their being owned in whole or in part by a client. That is one result of the consent decrees the associations have signed with the government.

Until recently, media merely had to know that an agency was recognized by this or that association to determine its status. Now that the associations cannot exclude agencies simply because they are house agencies, media will have the problem of deciding individually whether an agency is a house agency or not and whether it should recognize it (at least for commission purposes) or not.

The fact is, of course, that most media have long recognized certain more or less established house agencies and been glad to grant them commissions. These agencies are pretty well known to the business and in most cases the fact that they are indeed house agencies is pretty well ignored. The problem now, however, is that the consent decrees will result in a new influx of house agencies, set up by advertisers. A fair number of well-informed people in the business believe that there will be such a development and, in fact, we know of a handful of companies which have gone so far as to look into the possibilities.

We don't believe that many more than that handful will go that far and we don't believe that many of those that do will decide ultimately that a house agency is a good thing for them. The same reasoning that prevented more house agencies than there now are will still prevail.

First, of course, is the undeniable advantage of having an advertising agency be independent, that is, free to urge new courses, additional expenditures

or whatever else it thinks might help its client's advertising work better. Surely it is difficult for a subsidiary to have such freedom of action and creative thought.

Second, we doubt that the wholly-owned house agency is a very profitable operation for the advertiser. The fact that it is a house agency pretty much prevents it from soliciting accounts and except for the very large accounts it would be difficult, if not impossible, to hire the talent and provide the myriad services independent advertising agencies are financially able to do.

Third, if the advertising account is large enough to afford the talent and services the independent agencies can afford, the profit would be so small in terms of the company's over-all sales, that it would hardly be worth while to set it up.

We believe that advertisers recognize these advantages and will continue to recognize them. An appreciable number of them, however, do want some better understanding of agency compensation. As the **Tide** Leadership Panel indicates (see p. 29), most advertisers are very well satisfied with their arrangements with their agencies, but some of them do think that the agency should initiate a review of the situation (including compensation). This seems to us a reasonable viewpoint and we would urge agencies to find out if their clients would like such a review and to initiate them at once if they do.

For many reasons, some very good and some poor, the whole agency business is undergoing a period of very close scrutiny. There is much confusion and misunderstanding. We can think of no better way to clear the badly muddled waters of agency compensation than by a frank question by agencies to their clients and a frank explanation and review if advertisers want them. Perhaps then the business could once more devote its whole attention to its real job of creating advertising that will keep the economy humming.

The Editors

action in



*how to make a
business decision*

HOW MANAGERS ARE MADE · II

**You can
grow your
own executives**

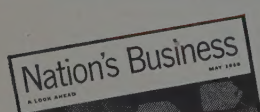
This April *Nation's Business* article outlined basic steps in successful decision-making . . . and within the month, 738 businessmen in these companies (and others like them) wrote for a total of 14,395 reprints!

A 250-employee firm's management training program was described in this April *Nation's Business* article . . . by the end of the month, 536 businessmen in companies like these requested a total of 6,789 reprints!

ASSOCIATES, INC. . . . ALLIS-CHALMERS MANUFACTURING . . . AMERICAN VISCOSE CORPORATION . . . ARMCO STEEL CORPORATION . . . AVON PRODUCTS, INC. . . BUTTE STEEL & CONSTRUCTION CO. . . CATERPILLAR TRACTOR CO. . . THE CHAMPION PAPER AND FIBRE CO. . . THE CHESAPEAKE & POTOMAC TELEPHONE CO. . . CROWN CORK & SEAL CO., INC. . . CARBORN CHEMICAL COMPANY . . . E. I. DUPONT DE NEMOURS & CO. . . THE ELECTRIC STORAGE BATTERY CO. . . FORD MOTOR COMPANY . . . GENERAL ANILINE & FILM CORP. . . GENERAL ELECTRIC COMPANY . . . INTERNATIONAL BUSINESS MACHINES CORP. . . LATROBE STEEL COMPANY . . . THE

THE CHAMPION PAPER AND FIBRE CO. . . CLEVELAND TRAP SYSTEM . . . THE DELAWARE, LACKAWANNA & WESTERN CO. . . THE DIAMOND MATCH COMPANY . . . ETHYL CO. . . GENERAL PETROLEUM CORPORATION . . . INLAND STEEL COMPANY . . . LINK-BELT COMPANY . . . NATIONAL BANK OF DETROIT . . . NATIONAL LEAD COMPANY . . . NEW YORK CENTRAL SYSTEM . . . OLIN MATHIESON CHEMICAL CORP. . . PRATT & WHITNEY . . . SCOTT PAPER COMPANY . . . SOUTHERN UNION GAS CO. . . SUN OIL COMPANY . . . SWIFT & COMPANY . . . TENNESSEE COAL & IRON DIV., U.S. STEEL . . . THE TEXAS COMPANY . . . WHIRLPOOL-SEEGER CORP. . . WORTHINGTON

editorial readership results in business action in



750,000 paid circulation—Read by 75,000 executives of business members of the National Chamber of Commerce and . . . 675,000 other leaders of the American business community who paid for their subscriptions at the annual rate of \$6.00.

Key businessmen . . . in these companies and others like them . . . read *Nation's Business* and *respond* to its editorial content. Requests pour in from every field of business and industry—metalworking, insurance, transportation, banking, retailing, manufacturing, textiles. “Here is my check . . . please rush reprints” is typical of 3,587 letters requesting 90,400 reprints of current articles. If you sell goods or services to companies like these, *action in business* results when you advertise to business in *Nation's Business*.



"I guess every broker today is a bear that walks like a bull."

JOHN R. BOWERS, Vice President, Brooke, Smith, French & Dorrance, Inc., Detroit, previews *"I Don't Want to Lose Your Shirt"* from this week's Post.

"With so many people making so much in the market, the broker is acquiring the stature of the doctor or lawyer. But he has his troubles, too. He's always plagued for free advice. And he has to try to keep some people out of the market. This broker doesn't tell you how to make a killing, but his 'don'ts' may keep you and your shirt from going to the cleaners!"



in all, 9 articles, 4 short stories, 2 serials in the June 9 issue of The Saturday Evening Post.

WASHINGTON FORECAST

BEER & WINE, NOW RUNNING THIRD BEHIND DRUGS AND toiletries among spot television advertisers, may stir up more action by temperance spokesmen. TV Bureau of Advertising figures list beer & wine TV spot expenditures at \$8,500,000 (with drug products slightly over \$10,500,000) for this year's first quarter. The Temperance Board is particularly irked by the fact that 20 breweries were among the top 200 spot advertisers for the first quarter. After beer & wines came confections and soft drinks.

STOCKHOLDERS MEETINGS MAY ESCAPE THOSE PROFESSIONAL hecklers. Rep. Arthur G. Klein (Dem., N.Y.) would legally outlaw the hecklers, and wants SEC to advise him if a bill is needed to accomplish this. He feels U.S. stockholders should be protected against irresponsible small stockholders, who make a "shambles of orderly procedure." SEC has promised to look into the question at an early date, with legislation (if it proves necessary) possibly readied for this session. Comment has also been invited from the Labor Dept., Chamber of Commerce, NAM, Better Business Bureau and Justice Dept.

DRIVE-IN MOVIES WILL PULL EVEN MORE TEEN-AGERS OUT OF the home—and away from TV. Outdoor theaters are now mushrooming through suburbia at five times the rate of the postwar years. The Commerce Dept. reports receipts of drive-ins increased five-fold between 1948-1954, while the regular movie houses dropped 24% of their take in the same period. Movie producers say there are 4,500 drive-ins in the U.S. today, with total capacity of 2,000,000 cars.

SUPERMARKETS MAY SOON PAY MORE ATTENTION TO THEIR meat departments. A recent survey of 200 supermarket customers made for Family Circle indicates that satisfaction with the meat department often determines whether or not they will do their major shopping in that store. Customers also like the "browse and buy" method of shopping, dislike store demonstrations.

AMERICANS ARE HEADING FOR BOWLING ALLEYS, SKATING rinks, pools, bathing beaches and amusement parks in increasing numbers. The Commerce Dept. says that while spectator sports like pro baseball and football had deep admissions slumps since their 1929-1947 golden era, participation sports have climbed steadily to today's \$600 million a year take—and are still on the rise. The tax cut recently proposed by the House Ways & Means Committee on admissions to these participant sports will make the picture even brighter, and will extend to juke box, milk bars, ferryboats and air taxis.

NEWSPRINT PRODUCTION IS GETTING A BIG BOOST FROM American paper mills. Commerce Department figures show that while newsprint imports from Canada in 1955 were the highest on record, U.S. production reached 1,458,000 tons—nearly double the quantity of 10 years ago. New capacity in Maine and Tennessee accounted for the major portion of the domestic increase of nearly 270,000 tons over 1954.

AMERICA'S TOOTHPASTE MANUFACTURERS WILL WATCH carefully the introduction of fruit-flavored toothpaste in London. Developers of the product, W. J. Bush & Co., Ltd., expect immediate acceptance—not only by children but by grownups who want a change from the conventional flavors. Washington drug chains dislike the idea, fearing it might lead to "stocking 10 or 12 flavors of the same toothpaste."

RAILROADS ARE EVIDENTLY DETERMINED TO WIN BACK passengers. The Federation for Railway Progress says "report cards" submitted by travelers outlining their likes and dislikes will get careful attention. Examples: one road may switch from kosher to sweet pickles; two roads are looking into the matter of cold toast on morning breakfast trays. Among passenger likes are glass-enclosed dome cars, modern decorative schemes.

Color has yet to capture Chicago

- Both public and sponsors seem apathetic about color TV.
- Nonetheless, some national advertisers run live color spots.
- And a couple even produce color films for "all-color" WNBQ.
- One problem: color films may cost three times black & white.
- Meantime, WNBQ invites everybody to weekly color clinics.

DESPITE six months of advance fanfare and nearly two of actual all-color telecasting, Chicago's WNBQ has yet to whip up much enthusiasm for color. So far, both public interest in color sets and sponsor interest in color commercials are at best apathetic. Probably no more than 5,000 of Chicago's 2,300,000 TV homes boast color sets even though retailers can and do show what color TV looks like most any time of day (WNBQ broadcasts seven hours daily of local color programs, plus, of course, owner NBC-TV's color schedule). Further, only a few of the national advertisers buying WNBQ locally display much relish for gracing the color programs with color commercials.

Doubtlessly, the scarcity of color TV sets is the major culprit. But there is another: color TV's lack of immediacy seems to be clouding the fact that color TV is coming. As NBC-TV Spot Sales director Edwin T. Jameson puts it with forgivable bias: "We have been asking advertisers what they need and what we can do to help them with color, encouraging them but not forcing them. We feel it is reasonably inexpensive for them to get this experience and it is worthwhile for them to get it. You can see color coming and advertisers, agencies and broadcasters must learn how to work with a new medium that is so vital and so effective."

However, adds Jameson, while advertisers should want to protect themselves constantly against new developments, too many have not yet gotten around to considering color that way.

► Tide's check of advertisers using WNBQ as a color laboratory indicates that they're learning plenty. One advertiser, for example, figures that filmed color commercials' production costs may soar to three times those of black & white.*

Such advertisers, though, are still the exception to the rule. Top TV spender Procter & Gamble, for in-

stance, runs "strictly black & white" films for its Spic & Span commercials on a 10-minute WNBQ color news program. Colgate-Palmolive Co., also a top TV advertiser, airs 20-second spot announcements every Sunday night—in black & white. Explains Colgate: "There is no real interest on the part of Colgate to go into color at this time. That is not to say that we do not recognize the fact that WNBQ provides color nor that color is continuously growing in scope. But the use of color commercials at this point is valuable only as a novelty or an experiment."

Comments another color-shy WNBQ advertiser, American Safety Razor's ad director Albert Goetz: "We have two color commercials on WNBQ — both black & white." ASR's black & white filmed spots run adjacent to a color news program and a color sports program.

Goetz, who has had absolutely no color TV experience, simply isn't interested in it at this time. He agrees that once color comes, it'll eclipse black & white, even hazards that a black & white ad campaign in a color age would doubtlessly flop. But as far as he's concerned, the color parade just hasn't started. Another black & white only advertiser is Florida Citrus Commission, which buys a variety of spots on WNBQ (one-minute films on three weekly five-minute early morning newscasts plus 20-second afternoon and 10-second evening spots, both adjacent to network programs).

► Robert Hall Clothes, which describes itself as "eager and anxious for color television," probably best explains other advertisers' color shyness. The big clothing chain which sponsors a daily five-minute morning newscast frankly states that cost keeps it from experimenting with the newest medium.

Robert Hall, which buys television time on some 90 stations across the country, very much wants to find out how a soft goods marketer like itself

can use color TV most effectively. It just won't begin experimenting, though, until color set saturation approaches 40%. That's because the chain believes that color commercials will double current production costs. To justify such costs, color circulation would have to be reasonably good in a good many markets.

When Robert Hall does experiment with color, it wants to do so in a small market where time charges would not be so high as in Chicago. Adds one Robert Hall executive: "RCA is doing a good job as the leader in color, and it is trying to create a little excitement and a little interest in color, but WNBQ's switch-over to color is a big promotion for the television manufacturers more than anything directly affecting consumers."

► Nonetheless, the color picture isn't all black. Some advertisers, while still apathetic about color, at least do what a little is necessary to air their live commercials in color on WNBQ's local live color programs. One example is du Pont, which is a participating sponsor (for its paints) of the Dorsey Connor Show. However, though du Pont is aware that its commercials are in color, one company spokesman adds that "no one seems to care very much."

Like du Pont, Canada Dry Ginger Ale, which is a sponsor of Clint Youle's five-minute weather programs, airs its live commercials in color. However, it still occasionally uses black & white filmed commercials on the program, says of switching to color film: "We haven't even discussed it yet." On the whole, the company treats the color commercials it does run as routine. Another spokesman put it: "No one here has seen the color show yet."

Another weather show sponsor, Armour & Co., which buys two 10-minute programs each week, has just the opposite attitude. It worries and works hard over its new live color commercials, given by an announcer "using a neighborly approach as he displays such products as bacon and ham."

Armour points out that adjustments must be made for many products to show up well in color—labels, for ex-

*WNBQ holds color clinics open to all agencies and their clients every Wednesday from 3 to 5 p.m. During the sessions, advertisers can see how their commercials look in color. Some participating advertisers: Armour; Atchison, Topeka & Santa Fe; Coca-Cola; Commonwealth Edison; du Pont; Jewel Tea Co.; Joanna Western Mills; S. S. Kresge; Libby, McNeill & Libby; Peter Hand Brewing; Sears, Roebuck; Swift; Sidney Wanzel & Sons.

ample, often must be altered so that reproduction will be the same as that of the actual object. A ham comes up "bloody red" on a color picture and an adjustment is required to transmit the natural pink color it really is.

> **Armour figures that production costs for live color commercials are "approximately 15% higher than for black & white."** That's because of the adjustments necessary for color, longer rehearsals, the greater pains required in selecting accessories.

Armour pays no premium for color time because WNBQ's only additional charge for color is for spots adjacent to network programs: \$95 extra for 10-second spots; \$190 extra for 20-second announcements.

Armour says that right now it's experimenting, has no specific plans for expanding color commercials "until sufficient color receivers in market areas warrant it." Nevertheless, it has also tried live color commercials on Ft. Worth's WBAP-TV and Oklahoma City's WKY. Armour is interested in color TV "because, among other things, it can convey more appetite appeal."

Peter Hand Brewing Co. uses three one-minute live color commercials for its half-hour black & white film package, Dr. Hudson's Secret Journal, which airs every Saturday night. The brewer runs live color commercials because it says "we have no choice." However, it has decided to make the best possible use of the opportunity to experiment with color, has discovered so far that color is "somewhat easier to work with. It gives better focus, more realism." Recently, the brewery ordered its

agency (BBDO, Chicago) to prepare a 10-second color film commercial which should air sometime this month.

Another advertiser gradually working into color commercials is the Atchison, Topeka & Santa Fe Railway Co., which is a sponsor of Clint Youle's weather program twice a week. The railroad occasionally uses color film clips of trains and scenery in its commercials.

> **For its live color commercials, the Santa Fe spends very little more in production costs—it mainly has to watch the announcer's attire.** Despite its efforts, though, the railroad can hardly be called satisfied with color TV as it is today. It believes it is not yet technically perfected, that "colors do not come through on the picture screen satisfactorily." One adman goes so far as to say that he believes his color commercials "look better on black & white than on color TV."

WNBQ, however, can boast a couple of advertisers who go for color TV in a big way. Miles Laboratories, for instance, uses six 20-second color film spots a week on the station. Miles commercials, which feature "Speedy," Miles' familiar doll-like figure who wears an Alka-Seltzer pill as a hat, have been photographed in color since 1953 (Miles reduces them for black & white transmission).

> **Miles also uses black & white film—mainly for commercials employing announcers.** Miles, of course, can now compare color costs vs. black & white, finds that color films run some three times higher.

The company also uses its "Speedy" color commercials every fourth Sunday on WSAZ (Huntington, W. Va.) and on Miami's WTVJ and Milwaukee's WTMJ. The latter stations hold the color films, use them as spot adjacencies whenever net color programs air.

Miles has no concrete plans for expanding its use of color commercials, but it definitely will continue experimenting. Of its experience with color TV so far, Miles has this to say: "It's prettier, but it needs further technical perfection. When NBC held color demonstrations it had trouble with colors 'bleeding'—spreading beyond the details. Also, color television requires considerable casting around to come up with a color which will show the desired shade on the receiving tube. For example, if you want to get a chartreuse shade, you need to put a different shade on camera to make chartreuse appear on the picture tube."

Another sponsor using some color film commercials is Whirlpool-Seeger Corp., which foots the bill for Kukla, Fran & Ollie, now a local live color



One of the few color film commercials appearing regularly on WNBQ, first "all-color" TV station, is this one aired by Miles Laboratories

program on WNBQ. Whirlpool-Seeger uses both live and film color commercials, both featuring Fran and the puppets. Although Whirlpool-Seeger uses color commercials on the network color program, the Milton Berle Show, every third Tuesday evening, WNBQ is the only local station where it airs color. The appliance company, interestingly enough, reports that color commercials cost it very little more than black & white. It also believes that color commercials "come off better" than black & white ones. Nonetheless, like other companies it says it is mainly experimenting, "is not married to color commercials."

Words at work

- Advice for a girl in love with a much younger man.
—CARPET INSTITUTE
- Is your playroom a washout?
—BENDIX
- Diagnosis: two bones and one budget broken.
—PRUDENTIAL INSURANCE
- For an easier life, weigh this hat (Yes, you heard right).
—ROYAL TYPEWRITER
- What is it that has 2 eyes, 2 ears, a nose and soul-satisfied look of fulfillment?
—WURLITZER
- My girl can't knit socks like the Governor!
—ESQUIRE SOCKS
- How much time do your salesmen lose by DRIVING BLIND?
—BELL TELEPHONE

What's in a name?

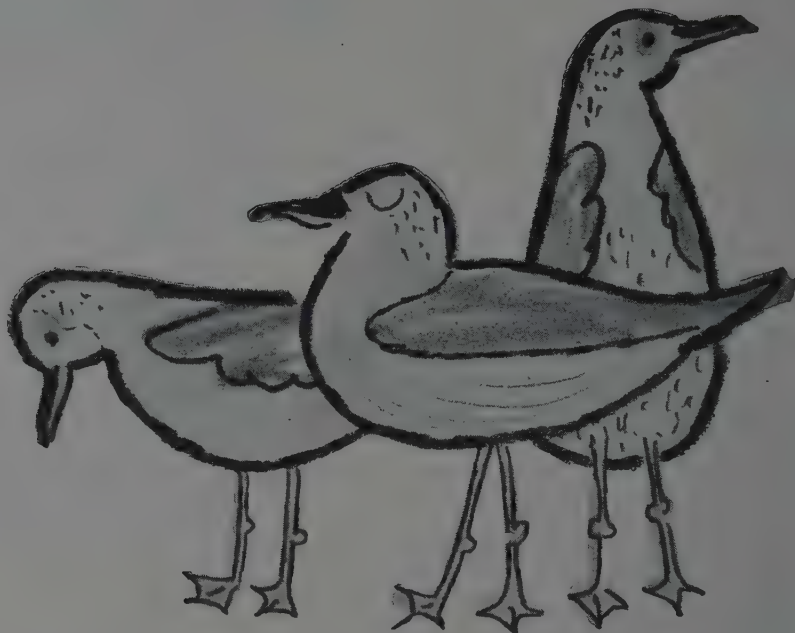
Back when the Saxons were shooting the Angles, a tradition began in the English language—the tradition of giving colorful names to groups of birds and beasts.

Pride of lions for instance. Or *skulk* of foxes.

We have refurbished this tradition in order to describe the unique groups of SPORTS ILLUSTRATED subscribers. Because, as the recent national Politz survey has proved, they are indeed colorful, and their like cannot be found elsewhere. Ergo:

EXAMPLE 1...

With the birds, it's a
colony of gulls



With SI, it's a
commonwealth of golfers

SI's golfers go out 4 times a month during the season. 64% of all SI families own at least one set of clubs. And 43.6% belong to a country or sports-oriented club.



Media must decide . . .

What is a house agency?

- How does media decide what is and what isn't a house agency?
- In the answer lies the future of the 15% commission system.
- Here's how media—and advertisers—feel about the question.

AS the debate over the agency commission system gets hotter, more & more of the responsibility for either change or maintenance of the status quo lies with media. So far, media generally have defended the 15% commission system and almost unanimously sworn not to bill advertisers directly at net rates, or indirectly at net rates through house agencies.

➤ During the past couple of weeks media was forced a little closer to

changing their minds. Paul West, Assn. of National Advertisers' president, made his strongest appeal for change thus far, at the third annual ANA budget-control workshop in New York. West stated bluntly that since it "is the advertiser's business that is at stake and his money that is being invested in advertising service, naturally it is his prime responsibility to exercise the proper control over these expenditures—whether made directly by the company or made on the company's behalf by the agency

and to see that the money is spent wisely and that wasteful expenses are eliminated . . ."

Added West: "Under any honest appraisal, many practices (under the commission system) will not stand up too well to careful scrutiny, in the light of sound management concepts. . . . The traditional 15% commission system of the past has been accepted without sufficient questioning of its merits as weighed against actual practices, and in too many cases it has been used as a crutch or cover-all."

➤ Obviously, advertisers are clamoring for closer control of their advertising dollars and they can get it either through agency rebates of media commissions or by persuading media to bill them direct at net rates. So far, most media just refuse to bill direct and so far, no major advertiser has recently established a house agency in order to collect the commissions. But what will happen if one does? Will media stand firm? Or will they open the door to widespread use of house agencies?

➤ Just what most media will do is lost in a maze of double standards and double talk. By and large they do not want to define a "house agency," nor do they want to adopt any policy regarding their recognition. As the ad manager of one large weekly magazine bluntly puts it: "I can't put myself in the position of answering questions like those. Everyone knows that publishers have been granting commissions to house agencies for years. We all know several of them, but nobody's tried to buck them or make them the rule. It seems apparent that some of the big companies are going to challenge the status quo, and I don't know what's going to happen. But right now, we've got to look at it as a hypothetical case, and can't deal with it. But I can tell you this: if General Foods Corp. or General Mills Co. came to us and asked us to bill them through a house agency, I'm sure we would."

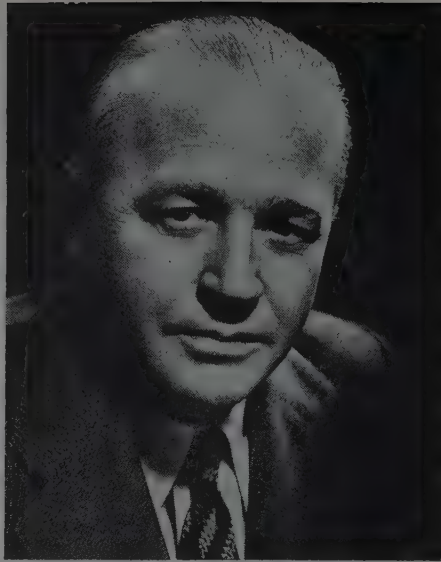
Other media are not so blunt, either on or off the record. Most media and most advertisers agree the fireworks about to be touched off have been



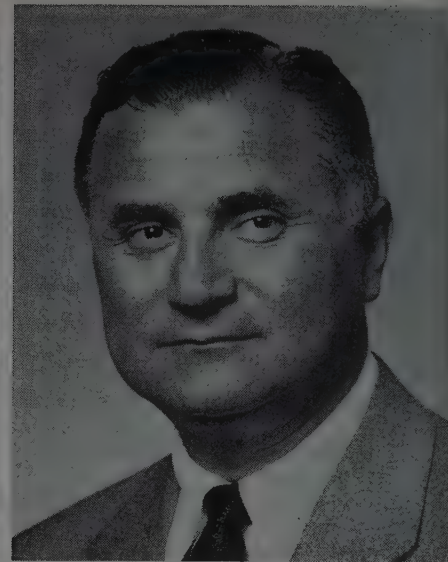
ABP's Gerardi: Any qualifying agency must receive a commission



McGraw-Hill's Joseph Allen:
no house agency commission



Time's Howard Black:
no 15% to new house agencies



New York Times Monroe Greene:
no going rule

precipitated by the agency commission on independently or network packaged television shows, and wonder which network will be the first to begin to appease an advertiser by billing him directly for his packaged show. The major networks deny emphatically, however, that they have any plan either to bill advertisers or their house agencies at net rates.

NBC, for one, refuses to comment on the situation at all, says it is "no problem" to it. It has no policy on house agencies, it says, because nobody's asked them. Says a network spokesman: "If and when we come to that bridge, we'll cross it."

➤ That seems to be the attitude of most media: we have no policy on this, nor do we define the term "house agency"; no big advertiser has made steps toward creating a house agency; therefore we plan no policy on it. Monroe Green, ad director of the New York Times, for example, says that "As far as house agencies go, we have no going rule. We give discounts to qualified bona fide agencies. They are qualified if they are able to pay their bills; they are bona fide if they are actually in the business of serving others. The question of whether or not it is a house agency isn't looked into; we're interested in the money they pay us and don't inquire into the source of funds. But we're not faced with this problem because we do not knowingly have any house agencies placing advertising with us."

This Week magazine, too, neither recognizes house agencies, nor defines them. Says ad director Alan Bolte: "We call an agency one that is designated by an advertiser to be their agency for preparation and placement of adver-

tisements for products made by the advertiser. We have no policy on the question of house agencies, because there has been no cause to establish a policy. When we come to it, we'll face it."

➤ Time, Inc., on the other hand, does define house agencies as "a wholly owned subsidiary that a company sets up to place its advertising." The Time publications apparently believes that already established house agencies are acceptable, but as executive vice-president Howard Black puts it, "No new house agencies will be recognized." Time has made no attempt to re-examine relationships with house agencies already recognized by Time, Inc.

Look Magazine won't give any specific answers at all. Says a spokesman: "Each case must be looked at in terms of specific situation. Any situation which is unusual in terms of the way we've been doing business in the past will be given specialized attention." Essentially what Look is saying is that it has carried ads from house agencies (like most media) and no doubt will continue to do so. "We have no firm policy" says Look, "written or otherwise, on house agencies per se, but judge each case on its own merits." On what these merits are, Look has no comment.

Curtis Publishing Co., too, won't give specific answers, in fact, refuses completely to offer any sort of comment on house agencies at all.

The business press is adamant, says generally it doesn't, hasn't and won't grant commission to house agencies. McGraw-Hill vice-president and advertising director Joseph Allen maintains it "is difficult to define a house agency," but he would say it is "an

organization set up by an advertiser, owned and/or controlled by it to place advertising space for it." Adds Allen: "Our company does not and has not knowingly allowed 15% commission to this organization."

Chilton Co., has the same answer, says: "Our policy has always been not to grant commissions to house agencies, and we see no reason for contemplating any change at this time."

➤ CBS officials sum up what seems to be the case with media. Says one spokesman: "We recognize an agency, whether or not it is a house agency, if it is in fact doing the work of an agency—if it performs the functions of an agency. This would mean that we might recognize some and wouldn't recognize others."

Some of the criteria by which CBS judges? Says the spokesman: "It has more than one client; it conducts itself as an agency and is more than just a letterhead."

In the past, media have always been able to pass the buck to their associations. Some of the several associations specifically define house agencies; others don't define but just refuse, they say, to recognize them.

Associated Business Publications, for example, granted recognition to an agency on condition that it be "autonomous in its operation and free from control by either advertising media, advertiser, association, client, prospective client, printing establishment or other advertising agencies."

The Periodical Publishers' Assn refuses to define house agencies, but maintains that it refuses to recognize them. The Publishers' Assn. of New York never actually defined the house agency, but did have in its qualifica-

tions that an agency must "be a bona fide advertising agency, functioning as an independent contractor." The American Newspaper Publishers' Assn. has never recognized an agency "affiliated with, controlled, or owned, in whole or in part, by a national advertiser and through which said advertiser places its advertising" as an agency at all.

Only one of the co-defendants in the government's anti-trust action does acknowledge that they always recognized house agencies and recommended them as such. The Agricultural Publishers' Assn. says that "we have recommended house agencies to our publishers when in every other respect they met the usual standards of an agency."

➤ **There is no way, however, for media to leave definition and recognition to the associations.**

In his speech before the Associated Business Publications' national convention at Hot Springs (Va.), McGraw-Hill Publishing Co. executive vice-president & treasurer and ABP counsel, Joseph A. Gerardi, outlined most lucidly the restriction now placed on ABP—and the other associations—by the recent consent decree. Because of these restrictions, individual media must now decide for themselves what is a house agency.

In essence, Gerardi said a medium can no longer rely on an association to determine for it anything but financial accrediting, and must therefore decide

for itself what constitutes a house agency. Although the decision had in reality always been left up to the individual medium, says Gerardi, associations can no longer refuse to recommend an agency on the grounds that it is owned and/or controlled by an advertiser.

Added Gerardi: "... members are free to adopt a policy of paying 15% commission to independent agencies while denying such payment to house agencies. . . . It is probable [however] that [ABP] would be required to issue a certificate similarly to any qualifying agency without regard to whether or not the applicant is a house agency." ■

Do agencies earn their pay?

- **Yes, say leading advertisers on the** *TIDE Leadership Panel*
- **Few advertisers have bothered to explore agency charges.**
- **Few agencies have offered to justify their commissions.**
- **But one out of four advertisers would like to review it now.**

ARE MOST advertisers satisfied with what they are paying their advertising agencies? And are they satisfied with what they get for what they pay?

From the survey of the leading advertising executives on the *Tide* Leadership Panel, the answer would seem to be an overwhelming yes. The vast majority of advertisers are content with their existing compensation system, have not asked their agencies for an accounting, and don't necessarily want one. But there is a strong undercurrent, a feeling voiced by a small but determined minority, that a look into the compensation system wouldn't do them—or their agencies—any harm.

➤ **Out of all the companies represented on the Panel, a whopping 91% report that they have not explored the question of lower compensation with their agencies.** Almost as many (85%) say that they have not looked into the possibility of getting additional services for what they now pay.

Of the few companies which have looked into lower payments or more service from their agencies, most seem fairly satisfied with the status quo; they report that their agencies have

justified themselves and proved that they earn their daily bread. Robert A. Adams, PR supervisor of Provident Mutual Life Insurance Co., is typical of many Panelists who report satisfaction: "They convinced us that we are receiving full value . . ." Adds P. R. Gustowski, ad manager of Line Material Co., a division of McGraw Electric Co.: "A checking discussion proved that the present payment-based on service—was about right, and certainly should not be less."

In only a few cases mentioned by the Panel did discussion lead to a slight readjustment of the services offered, and any lowering of compensation was exceptionally rare. "The outcome of our discussion was most favorable," reports National Tea Co. general merchandise manager Val S. Bauman. "We now have an additional service group, which includes creation, retail promotion and service."

➤ **A whopping 88% of the Panel report that their advertising agencies have not made any special effort to explain the 4A's consent decree;** the remaining 12% say their agencies have come forward with some degree of explanation. More important, an overwhelming 93% of the Panel fur-

ther add that their agencies have not, since the consent decree, made any special effort to justify their commission charges.

Of the 7% of the Panel whose agencies did offer to justify their commissions, 61% were satisfied with the explanation. But, significantly, 39% claim that they were not satisfied.

Even more significantly, a surprising 24% of Panelists whose agencies have not volunteered to justify their commissions would like them to do so. While these are outvoted by the 76% who don't think such a justification is necessary, it still adds up to this: approximately one out of every four advertisers today would like to sit down with their agencies to find out how their money is spent and why.

➤ **The majority of Panelists with no desire to look into their agency's compensation usually give one of three reasons for this attitude:** they believe the present system is a fair and equitable one; they are satisfied they are getting full value for their money; or they are already thoroughly familiar with how much their agency makes, and see no need for rehashing the subject.

On the other hand, the dissatisfied 24% wonder if they are getting their money's worth; a few admit it's possible that the agency isn't getting enough for what it does. But the majority just think it would be valuable to both the advertiser and agency to review their financial arrangements.

Here are a few of the comments

KEY QUESTIONS ON AGENCY COMPENSATION

Have you recently explored with your advertising agency the possibility of a lower compensation?

YES	9%
NO	91%

Have you recently explored with your advertising agency the possibility of additional services without additional compensation?

YES	15%
NO	85%

Has your advertising agency made any special effort to explain the 4A's consent decree?

YES	12%
NO	88%

Has your advertising agency made any special effort to justify its commission charges since the 4A's consent decree?

YES	7%
NO	93%

If yes, were you satisfied with that explanation?

YES	61%
NO	39%

If your advertising agency has not made an effort to justify its commissions since the time of the 4A consent decree, do you wish it would?

YES	24%
NO	76%

by those advertisers who would like some discussion with their agencies:

• **James E. Peters, advertising manager, Blackstone Corp.:** "We are not convinced that our agency earns the full commission allowed by media. We've received no co-operation from it through exploration of compensation and services."

➤ **P. W. Nickel, advertising manager, Bissell Carpet Sweeper Co.:** "There is an area here which obviously has two sides. But the question should be brought out into the open between each advertiser and his agency."

• **Harold B. Miller, executive director, Oil Industries Information Committee:** "We want a discussion for better understanding and mutual satisfaction."

• **R. W. Williams, advertising manager, American Radiator & Standard Sanitary Corp.:** "It is important for an agency to keep its clients currently informed on all services being used by that client, plus on those services that are available."

• **Donald Brice, advertising manager, Dictaphone Corp.:** "We've had some discussion of the subject here and would like their views."

• **Holt McAloney, public relations director, Ford Instrument Co.:** "We'd like discussion mainly to clear the air. The whole subject is now open. Maybe we should pay more. Let's look at what is delivered and for what cost!"

• **Harlan Hobbs, president, Glasco Products Co.:** "I want to work intelligently with my agency, paying a fair price for results and services received."

• **J. E. Sowers, ad & PR manager, Sharon Steel Corp.:** "15% is fair to pay to be relieved of the many small details handled by an agency. 15% is excessive when the details are

my burden or in co-operation with the agency. 15% of the total job is out of balance."

Probably the most disturbed Panelist is the advertising manager of a large machinery corporation who states bluntly: "We have always believed we could do a job equal to an agency if publishers would allow us equal commission. Perhaps we'll have the opportunity to prove this theory." (See p. 29 and Footnotes.)

Still, most advertisers are satisfied. Here's how a few of the 61% majority feel:

• **E. H. Manning, advertising & sales promotion manager, The Gorham Co.:** "We believe we are getting our money's worth under the present arrangement. If the market price for equivalent agency service should change, then I would want to discuss the matter."

• **Robert H. Marriott, sales vice-president, Climalene Co.:** "We're not interested in a discussion right now. There's too much wild talk at present. We can live with the present arrangement until the water calms and a new and better pattern for agency-client relationships emerges."

• **George J. Allen, manager, J. P. McKinney & Son:** "We and the agency understand and are satisfied with the commission system."

• **Henry R. Geyelin, advertising service manager, Metropolitan Life Insurance Co.:** "There is no need to justify an arrangement which has been mutually satisfactory over a number of years."

• **Lester E. Francis, advertising manager, Emery Industries:** "Perhaps I am naive, but the consent decree merely said people (anybody) cannot do in concern what it is perfectly legal to do acting alone. This has always been true. I have always worked with our agency to get what I paid for and to pay for what I got. I'm no more con-

cerned now as to the fee paid than I am over the commissions my insurance agent collects from his company on my premiums."

• **Edward J. Leahy, advertising director, Bennett-Ireland, Inc.:** "We have always felt and still do that we are amply serviced for our costs."

• **J. A. McInay, sales vice-president, Ray-O-Vac Co.:** "I am not interested in this method and don't believe it is sound. I'm sure it is not conducive to efficient and effective service. Therefore, I want no one to try to sell it to me through discussion."

• **Richard F. Larkins, advertising & sales promotion manager, Arrow Liquors Corp.:** "We are content to ride along on the present system until the pressure of events requires other action."

• **Norman A. Young, assistant advertising manager, Heublein, Inc.:** "We think everything is fine and fair. We have four agencies and they all stack up alike."

• **Milton Wolff, advertising manager, Kirsch Beverages:** "An agency will work as hard as a client wishes, providing it wants to keep that account. If the commissions are ample it will generally pay for them to turn out the work."

• **James P. Duffy, advertising manager, Genesee Brewing Co.:** "Until some new compensation method is developed, I feel the present 15% practice is satisfactory."

• **Frank Wolstencroft, advertising & promotion director, Esterbrook Pen Co.:** "The agency's service has always indicated that present charges and commissions are realistic."

• **James M. Jewell, advertising manager, Arvin Industries:** "I believe the 15% commission arrangement is satisfactory and our argument about it is a tempest in a teapot."

GEORGE ROMNEY can argue convincingly that American Motors Corp. won't suffer the same difficulties as Studebaker-Packard. American Motors' chairman, president and general manager quickly ticks off six major differences between these last two surviving motormaking independents:

- American Motors is larger and more diversified than Studebaker-Packard.

- Its non-automotive divisions (Kelvinator, Leonard, ABC appliances, etc.) which provide one-third of the corporation's volume, are "consistently profitable."

- Since the merger of Nash-Kelvinator and Hudson on May 1, 1954, American Motors has made "steady progress in reducing our loss level."

- Instead of meeting the Big Three head on with a full line of cars, AMC is "flanking" them with the compact Rambler (now representing 70% of all the corporation's motor car unit volume) and the still smaller and lower priced Metropolitan.

- "By concentrating activities and reducing tooling expense, we've brought our break-even point on cars down to the 150,000-unit level." (Romney notes that Chrysler division, Cadillac, De Soto and Lincoln did all right in 1955 on less than 200,000 sales each.)

- "We don't need large financing for future programs . . ."

➤ **Productwise, this early-rising, non-smoking, non-drinking, non-gambling 47-year-old Mormon has several aces up his well-tailored blue sleeve (see p. 32).** The Metropolitan, British built to AMC's specifications, is now handled by half of all the total 2,654 Nash and Hudson dealers and, like the Rambler, is available to all of them. Metropolitan currently ranks second in sales among imported cars only to the German Volkswagen. Then there's the Mighty Mite, a military-type vehicle, smaller, lighter (its 1,500 lbs. may be hoisted by helicopter) and more agile than the war-time Jeep, for which American Motors has manufacturing and sales rights.

In the Moorish-towered building on Detroit's Plymouth Road (where you are greeted by an elderly female receptionist and full-length portraits of the late Charles W. Nash and Lord William Thomson Kelvin), there's a feeling that with these new products plus right living and decent relations with dealers, employees and ultimate buyers somehow must win out.

George Romney would put ethics into motorcar marketing. He is busy trying to enlist such groups as the Senate Subcommittee on Automobile Marketing Practices, the National Automobile Dealers' Assn. and the Better Business Bureau for the purpose.

Can American Motors outflank the big 3?

By Lawrence M. Hughes

Romney would also amend the anti-trust laws to keep "competition" among the motormakers alive. He believes the U.S. motorcar industry should have at least five vigorous contenders, though he does not ask "legislation nor subsidization to keep American Motors going. Instead he thinks the government should adopt rules for the automotive industry and punish infractions.

Before the Senate subcommittee he urged:

- "Sound moral and social, as well as productive economic objectives."

- Competitive - cooperative - consumerism. "The consumer is the only boss. Factory-dealer relations must meet his desires."

- Adequate service must be a sales factor, and each dealer must maintain high sales and service standards.

- Factory-dealer relations must be close and fair. "Vital decisions" should be reviewed "impartially."

- But the relationship should be kept flexible to meet technological progress, new sales knowledge, and marketing conditions and opportunities.

Toward these ends American Motors itself has developed a Co-operative Quality Dealer Program. It includes, among other things, dealer-elected councils to "advise on all matters affecting dealers and customers; periodic review with the councils of the fairness, duration and other aspects of the sales franchise; a joint company-dealer appeal board with final authority on dealer cancellations; joint policies against unethical or misleading advertising, selling, financing or servicing."

Other points are "primary reliance on dealer projections and orders to keep car production balanced with market demand" and to keep dealers and factory both operating profitably, and annual programs for sharing with the dealers the financial benefits from future growth and greater total sales volume."

Last year American Motors introduced a Dealer Volume Investment Fund. Under this plan, Romney explains, all dealers are given a potent incentive to intensify sales efforts by a schedule of graduated payments based upon the number of cars sold." In

January \$6,000,000 was divided among the 2,600 dealers. The money will be used primarily to strengthen sales and service facilities.

The company and its dealers also launched recently a joint study of "present and future marketing practices"—among them "bootlegging," dishonest advertising, over-allowances by jacking up the new car price, and finance-charge "packs."

➤ **Meanwhile, despite the fact that this year's production probably will be 30% less than last year's record 8,000,000, the giants of the industry are getting ready for their greatest competitive battle, which means that Romney's flanking movement may have to be made fast.**

In his frequent talks he tries to prick popular "illusions about bigness." He speaks of "the smart little rabbit [that] has outlived the clumsy . . . dinosaur by a thousand centuries." He worries less "about the size of the Goliaths we have to contend with" than "the misconceptions of the value of their size." He believes that the independent motormakers have pioneered most of the product progress, and contrasts the single-unit "airplane" construction of American Motors cars with the "ox-cart" body-on-frame superimposition of others. He shows Rambler to be "twice as safe, roomier inside [one brochure compares Rambler passenger space with an unnamed car, which is Buick], more comfort, less weight, more economy and more efficient manufacture . . ."

A lot of tomorrow's motorists may prefer not to drive "cars so heavy that they need power equipment to steer and the knowledge of a truckdriver to maneuver." But at this stage Romney will settle for "300,000 to 350,000 of the intelligentsia" among them. Within 10 years he expects the compact car (Rambler) and the small car (Metropolitan) to "share the market nearly equally with the big cars."

Meanwhile 1956 is at the half-way point and even GM's Harlow Curtice and Henry Ford II are making grim reports to shareowners and employees. American Motors shut down assembly of all cars except the Rambler (but has since resumed). And George Romney

admits that "we're just as deeply in the red as we were."

A reported net loss of only \$827,555 for the first half of the 1956 fiscal year (to March 31) was due to a non-recurring profit of \$7,100,000 realized by American Motors on sale of stock in a subsidiary, Ranco, Inc. In other words, the company was still rolling in the red at a \$16,000,000 a year rate.

For fiscal 1955 (ended last September 30), the company reported a net loss of nearly \$7,000,000, after a tax carryback credit of \$9,700,000 from an \$11,000,000 loss in fiscal 1954. Between next September and 1962 the corporation must repay banks a total \$14,000,000. Under this credit agreement it must maintain consolidated net current assets or working capital of at least \$55,000,000. In 1954 working capital of American Motors (consolidating five months of the former Hudson company's operations) rose to \$82,000,000 on \$400 million net sales. But by last September, on \$441 million sales, it declined to \$62,500,000. On March 31 of this year working capital was down to \$60,800,000.

➤ **Still Romney has resources.** The late Charles Nash and George W. Mason (whom George Romney succeeded in October, 1954) were conservers. And Romney, with less to conserve, is doing

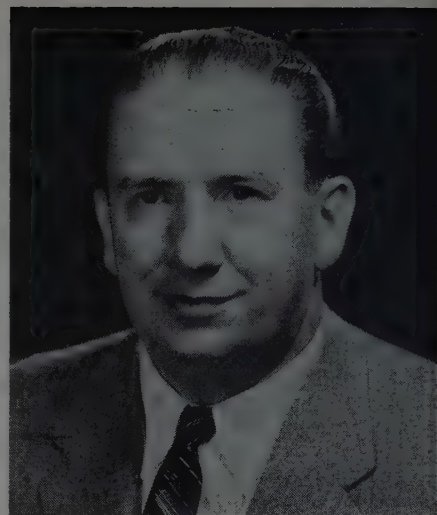
relatively better than either of them. Last September 30 American Motors' net worth (all assets minus all current and long-term liabilities) still stood at \$144 million. Retained earnings were \$88,500,000.

These are small potatoes compared to GM and Ford, but using less colossal criteria, American Motors might seem to be making out. Romney is sure it will, in any case.

When American Motors was formed two years ago, three years were thought needed to "gain the benefits of consolidation." Last month, "two-thirds along the way," Romney issued a "progress report":

- For 16 months in a row Kelvinator home appliance sales have exceeded those of parallel months of the year before. Romney expects them to expand through the rest of this decade.

- Export business is growing. A new appliance plant near Liverpool will double manufacturing facilities in the United Kingdom. In six months export sales of appliances built in U. S. plants gained 47%, and in the last year four plants have been added to Kelvinator's foreign-owned assembly facilities. In Canada Kelvinator now ranks second in appliances only to Frigidaire. Canadian production of all American Motors cars in the first quarter of 1956



**Automotive marketer
Roy Abernethy**

rose 124% (Rambler rose 360%). Early this year American Motors (Canada) Ltd. was formed.

- Annual defense volume now totals \$18,000,000. Mighty Mite is not yet a factor.

- For the first quarter of this year, when U.S. car production was down 11.4% from the year before, Rambler sales increased 17.3%.

- American Motors "has nearly completed the tremendous job of consoli-

More impact from each ad dollar

Because motorcar advertising expenditures run in direct ratio to the number of new cars actually bought by dealers, George Romney says, American Motors must make "every advertising dollar work twice as hard as a dollar of the Big Three."

This year's domestic total, including dealer co-operative, for Nash, Hudson, Rambler and Metropolitan, will come to about \$10,000,000 (via Geyer Advertising, Inc., for Nash and Brooke, Smith, French & Dorrance for Hudson; Rambler and Metropolitan are sold by both dealer groups).

The \$10,000,000 breaks down into about 36% for newspapers, 32% for TV, 20% for magazines, 6% for outdoor, and the balance for business and trade papers, telephone directories and other media.

Largest item is American Motors' co-sponsorship (with American Dairy Assn. and Peter Pan peanut butter) of Disneyland Wednesday nights on ABC-TV. Starting in mid-June American Motors' one-third of the commercials (heretofore shared with Nash and Hudson cars and Kelvinator appliances) will be exclusively on Rambler.

In 1954 the then new American Motors signed for Disneyland for three years, through the summer of 1957. The company expects to renew after that. American Motors admen point proudly to these facts:

- Disneyland's 182 stations are the largest number now carrying a regular commercial program.

- The show is estimated to reach regularly 11,000,000 men and 13,000,000 women (children—tomorrow's customers—are not counted in these totals).

- On a cost-per-thousand-sets-reached basis, Disneyland ranks among the three lowest motorcar TV programs: Lawrence Welk (Dodge), \$1.66; Ed Sullivan (Mercury), \$1.93, and Disneyland, \$2.34. Then come Chrysler Corporation's Climax, \$2.41, and Chevrolet's Garry Moore, \$2.62. At the high end of the cost scale stands Pontiac's Wide, Wide World, at \$6.66 a thousand.

American Motors has learned that unusual copy appeals don't require a lot of acreage. Since last January "Love Letter to Rambler" have run in small space in Newsweek, Time

and U.S. News & World Report. One Starch study showed that "Love Letters" drew as many readers in one issue of Time as did a Buick color spread: both were read by 7%.

Unable to outshout the Big Three, American Motors concentrates all advertising on informing motorists of its "differences." A recent "Name-the-Construction" contest, in which dealers home-distributed 1,000,000 brochures on the single unit construction of American Motors cars, drew more than 200,000 entries. Each entrant had to write a 250-word statement and put a stamp on his envelope. By late May sales had responded sufficiently for the company to send out "Business Is Good" cards to zone managers, dealers, salesmen and others.

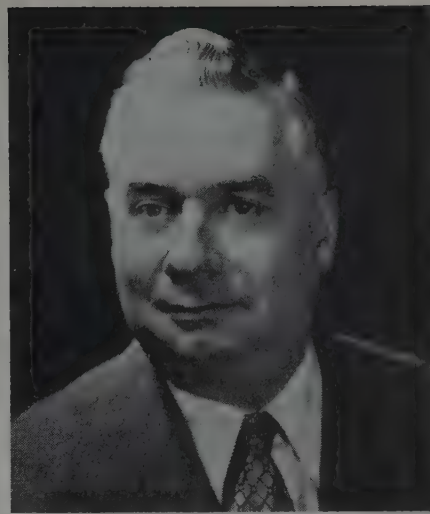
One headline or commercial you may read soon is: "Coast to Coast in a Rambler on Six Tanks of Gasoline." The company claims that Rambler will do "up to 30 miles on a gallon." The tanks holds 20 gallons. This nation, by highway, is some 3,000 miles wide. The test, from Los Angeles to New York, is starting June 16. With overdrive, Rambler may make it with a tankful to spare!



**Nash division's
John W. Raisbeck**



**Hudson division's
Virgil Boyd**



**Kelvinator division's
Walter L. Jeffrey**

dating the organizations and physical facilities of two large companies and integrating the manufacture of their products. A common tooling program already saved us millions of dollars."

Romney attributes the continued red ink to the general motorcar glut; to "abnormally heavy expenses involved in stepping up our new Rambler introduction by a full year," and the costs of getting the company's own V-8 engine into production for Nash and Hudson cars (until now AMC has used a Studebaker V-8).

► For the first time since the merger George Romney can show that styling, engineering and tooling programs for both automobiles and appliances are up to schedule. The 1956 cars were not introduced until December, but the 1957 models are expected much earlier than that. The company will then "begin enjoying the fruits of recent expenditures of \$63,700,000 for new tooling and facilities."

In fiscal 1952 Nash produced 137,587 cars, and in 1953, 166,918. In 1954 Nash and Hudson together (American Motors) turned out 135,794. In 1955 the output was 153,522, which was a shade above Romney's "150,000 break-even point." But in the nearly five months of calendar 1956, to May 21, American Motors total U.S. car production came to only 54,735.

This has been, says George Romney, "a rough year for everybody. We've all been held back by excessive inventories. American Motors has had to reorganize products and facilities. This takes three or four years. By the start of the '58 year, our product simplification program will be completed—and with it a lot of big one-time expenses. Today, we're using 10 different engines. In 1957 we'll have just five, and in

1958 three [not including Metropolitan or Mighty Mite]. We know exactly where we're heading. The keystone of tomorrow's growth will be the Rambler."

► But what if GM or Ford were to throw their weight behind a "compact car" in the U.S. market? Romney knows that "both of them build small cars." (The British Ford already is sold here, and GM has such likely U.S. contenders as the Vauxhall and Opel.) "But we're not worried about them. We've got a good start on them. I think we're more flexible. We're not only flanking them, but we're 'creating' our market."

He isn't worried about the industry's current downward sales trend: "In 1955 our industry borrowed sales from 1956. But normally new car sales follow closely the trend of disposable income. . . . More families soon will need cars, and second cars. . . .

"People are still the most important factor in business. The American economy is superior because, through competition, more people have a chance to express themselves. . . . Principles count, too." George Romney may sound a bit holier-than-thou when he mentions the Big Three. And maybe American Motors isn't big enough to get rough. He admits that GM, Ford and Chrysler have "greater influence on their dealers. This may mean greater ability to 'load' them. But until now some of our big rivals haven't exercised much restraint. We've persuaded and we've pushed. But we haven't overproduced. . . .

"Now a reappraisal is taking place. Since the Senate hearings last winter the Big Three have been trying to get their dealers to follow better standards." Maybe the burden of those

900,000 still-unsold new cars is a restraining factor.

In the first quarter of this year Nash and Hudson dealers sold an average of only 10 new cars each, primarily Ramblers. This was less than one car a week. But Romney and his people are busy strengthening both dealer groups, and they intend soon to have more than promises to sustain them.

► At headquarters Romney boasts of his "able young group. They're sold on our opportunity." Of 12 officers listed in Nash-Kelvinator's annual report for 1953, only six survived in American Motors' report for 1955. Of the 20 in the current crop, 14 are "newcomers." Changes keep coming. One was the recent replacement of N. K. VanDerzee by Virgil Boyd as vice-president for Hudson sales. Other key sales vice-presidents today are Roy Abernethy, for all automotive distribution and marketing; John W. Raisbeck for Nash, and Walter L. Jeffrey, Kelvinator.

George Romney has evidence to show that, in the long run, "humanity" may be more productive than "efficiency." Since the merger American Motors has concentrated automotive production in Grand Rapids. There was some talk about cutting out production of Kelvinator and Leonard appliances in the Detroit plant and ending the jobs of 2,000 employes there. But Romney decided against it.

► Today, the Detroit plant is humming on "contract" refrigerator sales to 81 user-customers (for water coolers, vending machines, etc.). This dollar volume in the first four months of 1956 was 27% greater than for the entire year 1955.

Do-it-yourself appliances

- Newest products, such as package kitchens, lack distribution.
- One reason is appliance retailers' dislike of installation burden.
- Now Avco offers do-it-yourself installation kits for kitchens.
- And Philco has a do-it-yourself central air conditioner.

ONE of the big problems facing the major appliance business today is distribution of its newest products — for instance, package kitchens and central air conditioners. How do you get the average appliance dealer even to stock, let alone service bulky package kitchens, package laundries and central cooling units? How do you teach plumbing & heating contractors to sell white goods and air conditioning? Then there is the price barrier since installation of a package kitchen or central cooler runs 25% to 50% of the total cost.

➤ Appliance makers are currently at work on ways to climb these hurdles so that distribution of such products can reach the average consumer. On one hand, General Electric believes it can tap the huge package kitchen market by making plumbers out of retailers. GE helps its dealers form a separate department or division to sell & service package kitchens and laundries (Tide—Dec. 17, 1955). On the other hand, American-Standard tries to push its major home appliances by making retailers out of plumbers. Its aim: at least one responsible plumber-retailer in every community in the country—where customers can readily see, touch and buy American-Standard products such as heating and cooling systems, bathrooms, kitchen cabinets and sinks (Tide—January 28).

Carrier Corp. chairman Cloud Wampler, meantime, hopefully bets on a combination of both GE and American-Standard techniques to sell central cooling units: teach appliance dealers simplified engineering principles so they can install and service coolers; teach plumbing & heating contractors to sell (Tide—June 8).

Currently, some appliance makers are pushing a third—and controversial—technique for breaking through the distribution and price barrier to the sale of packaged kitchens, air conditioning and heating: capitalizing on the burgeoning do-it-yourself trend.

➤ By shifting a good measure of planning and installation off the back of dealers and onto the eager handyman-consumer, these companies feel they can widen distribution of major appliances:

- Crosley and Bendix divisions of Avco Mfg. Co., which last month introduced a do-it-yourself kitchen kit for consumers.

- Philco Corp., which hopes to trade on the do-it-yourself idea this summer with a simplified central air-conditioning unit for cooling up to five rooms.

- Emerson Radio & Phonograph Corp., which promotes do-it-yourself room coolers by including a free kit of tools (wrench, vise) and instructions with each unit.

- Lewyt Corp., which plans to plug a do-it-yourself room cooler. Lewyt will try to get merchant-builders to put a special wall space in new homes where the consumer can install his own cooler if he wishes.

All four firms are proceeding slowly with their do-it-yourself pitch by confining initial advertising to co-op campaigns through dealers (Crosley-Bendix and Philco, however, are contemplating national consumer campaigns this fall). There's good reason for their caution.

➤ So touchy is the subject of do-it-yourself installation of major appliances (because of stringent heating, plumbing and electrical codes and laymen ignorance) that most big appliance makers won't tangle with the technique. General Electric goes as far as offering do-it-yourself painting plans to match new GE color kitchen appliances. But GE, like Westinghouse and GE's Hotpoint division, is "on the side of the professionals" (trained installers of major appliance equipment). So is Radio Corp. of America (whose only do-it-yourself item is a crystal set sold to children around Christmas). Even Youngstown Kitchens, whose kitchen planning literature predates the Crosley-Bendix kit by several years, offers only "free installation tips" for its sinks.

Despite this, J. L. Armstrong, general sales manager of Crosley-Bendix, believes "the guide, a \$1 value, will bring into the stores thousands of people who have wanted kitchens, but feared burdensome installation costs. As an added plus for dealers, by saving as much as 25% to 50% of the total job cost, homemakers will be able to afford extra appliances."

The guide (with many warnings to consult electricians and plumbers about codes) includes a Crosley kitchen template, gummed cut-outs of Crosley equipment and cabinets, dimensions of Bendix washers and dryers and a 16-page guide of simple instructions allowing home builders to design their own kitchens, buy appliances to fit, then install them (though emphasis on actual do-it-yourself installation is tempered).

➤ One of the most important reasons behind Crosley-Bendix's kitchen kit is the hope that it will lure more dealers into stocking a full kitchen line. At present, only 500, or 20%, of Crosley-Bendix's 25,555 dealers carry the full line. The company thinks dealers shy away because selling package kitchens means the dealer must undertake the burdens of installation (which the do-it-yourself kit hopefully eliminates).

Install your own Crosley kitchen and SAVE!

Start with this CROSLLEY Double-Bowl 66" Cabinet Sink

Time to start your kitchen remodeling around a sparkling new Crosley Cabinet Sink with all deluxe features planned to save you work and time

- 2 pitched drainboards!
- 2 smooth-siding drawers!
- 3 big storage compartments!
- 2 extra-deep bowls!
- Convenient swing faucet!
- All sturdy steel construction!
- Heavy duty easy-to-clean finish!

Starter Special! \$00.00

Usually \$500.00
As Little As \$5.00 Weekly
After Down Payment

add more Crosley Units at your convenience!

Crosley-Bendix already is sending dealers (who distribute the kits) newspaper mats plugging the kit. "Install your own Crosley kitchen and save," goes an ad, which shows a young couple designing their kitchen, purchasing equipment for it and installing it. Added lure is a price cut on one of Crosley's appliances, a double-sink.

► **Philco's do-it-yourself central air conditioner** (price: \$700; installation cost: \$100-\$155) comes complete with ducts, screens, wiring and thermostat. Philco already has an order from one Detroit builder who is selling the Philco units as an optional extra (\$795 installed). One of the chief angles Philco will play up in its consumer advertising (the cooler is now in southwest and mid-west markets) is the unit's adaptability to single-story, multi-story and split-level dwellings (in fact, Philco claims that two of these units can cool a large house of nine or 10 rooms more economically than other systems on the market today).

Actually, do-it-yourself appliance installation isn't new (although Emerson claims its do-it-yourself cooler is "an innovation in the air-conditioner industry"). Sears, Roebuck for several years has been making the most out of do-it-yourself in the marketing of kitchen appliances, plumbing & heating equip-

ment and room & central air conditioning.

Today Sears' modern kitchen department (formed three years ago) advises on every possible angle of do-it-yourself planning and installing of everything from a single appliance to a package kitchen (even lending the customer the proper tools for nothing). In fact, Sears' introduction this year of Kenmore built-in counter-top and wall stoves and ovens (gas or electric) gives Sears a complete line of kitchen equipment from Harmony kitchen cabinets to Kenmore washers and dryers.

► **Similar do-it-yourself opportunities abound in Sears' plumbing & heating equipment, central & room coolers** (sold under the Coldspot label). In each case, no matter what the appliance, Sears offers complete booklets on planning, installation and repair. It also has a brand-new credit plan where Sears does all financing of home improvement (formerly Sears arranged consumer loans through local banks).

"The Sears customer," says the big retailer, "is a natural for do-it-yourself. We know we don't get the Fifth Avenue type. But we get the man who wants to do a quality job at a low price."

Sears finds its biggest market for do-it-yourself major appliances is in sub-

urbia ("urban living isn't made for big do-it-yourself jobs").

The result is that Sears (through local stores) heavily promotes major home improvement in its suburban newspaper advertising (may do the same when it goes into national magazine advertising in September). Several Sears stores sponsor local do-it-yourself TV shows.

► **There's little doubt that retailers like Sears are afflicting sales of plumbing and heating contractors.** In its current series on the do-it-yourself movement, Domestic Engineering (see accompanying box) points out that "under the aegis of mail order houses and similar types of outlets, the trend to do-it-yourself plumbing and heating is beginning to make itself felt in certain areas. Here the customer is encouraged to submit his house plans along with a copy of his local plumbing and heating code to the store's design engineer who then designs the complete system with all the necessary components."

So impressed is Domestic Engineering with the strength of the do-it-yourself movement that it urges its contractor readers to go along with the movement to the extent of urging minor do-it-yourself installations—but warning consumers "against the danger of making any major plumbing or heating installations by themselves." ■

How popular is "do-it-yourself?"

Appliances you can install yourself may help unlock the distribution blocks in major appliance marketing (see accompanying article), but are there consumers courageous enough to try installation of their own kitchen, plumbing, heating or air-conditioning equipment? Even those plugging (to one degree or another) do-it-yourself appliance installation — Crosley-Bendix, Philco, Emerson and Lewyt—haven't much research on the subject. E. I. du Pont de Nemours, says Emerson, has a survey showing that 39.7% of all room coolers are installed either by the consumer or a family friend.

Another indication that do-it-yourself appliance installation may catch on comes from two consumer surveys made by Domestic Engineering to inform its readers on the trend (contractors in the field of plumbing, heating, air conditioning and related appliances). Both surveys—one taken at a do-it-yourself show in Chicago, the other in San Antonio—suggest that one out of every three U.S. do-it-yourselfers might tackle a major appliance installation job.

In the Chicago survey of 203

do-it-yourselfers, the magazine found 37 had done a major plumbing job (anything from replacing sink faucets to a complete home plumbing system), 30% had done a major kitchen installation (from cabinets to a complete kitchen), 25% had done a major heating job (from adding a thermostat to installation of a complete hot water or warm air heating system).

Domestic Engineering also discovered that plumbing, kitchen installation and heating installation ranked fifth, sixth and seventh in do-it-yourself popularity after painting, papering, electrical work, woodworking and floor & wall tiling in that order.

A key finding in the Chicago survey: most consumers installing their own plumbing, kitchen and heating equipment are regularly employed in skilled or semi-skilled trades (mechanics, machine shop workers and the like).

Domestic Engineering also found that the desire to save money was the most common reason given by do-it-yourselfers who tackled a plumbing, kitchen or heating job. Of the 203 interviewed, 69 said

they believed they saved anywhere from \$200 to \$1,000 by doing their own installation work. "Many others," added Domestic Engineering (giving no figures), "admitted that their do-it-yourself jobs, when they were finished, cost more than a professional installation."

Aware that the Chicago survey used a "loaded audience" of do-it-yourselfers, Domestic Engineering surveyed 300 residents of San Antonio to explore the extent of their do-it-yourself installation of plumbing, kitchen and heating equipment. Most interesting findings: only 40% of the 300 interviewed attempted some kind of do-it-yourself activity. San Antonio's do-it-yourselfers, however, ranked plumbing and heating jobs as favorites over floor & wall tiling (painting, papering, electrical work and woodworking continued as front runners).

Some respondents had done a major plumbing job at home, only 10% of the total sampling, but 25% of the do-it-yourselfers in the city. Of do-it-yourselfers, 17% had installed heating equipment, 15% kitchens.



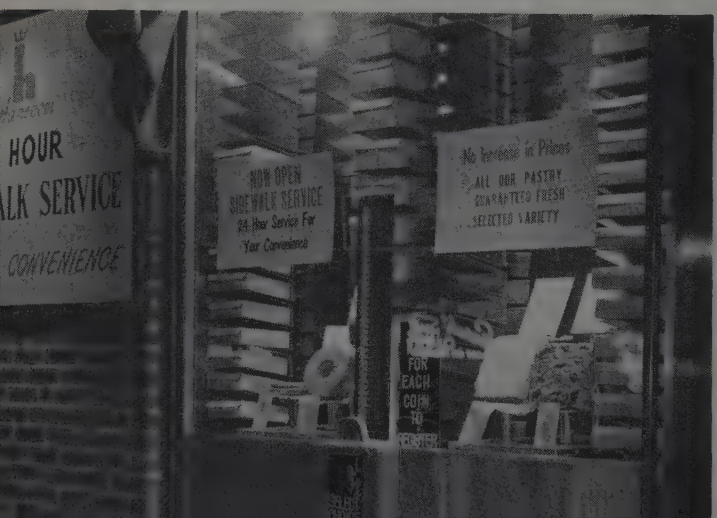
CAMPBELL Soup Co., which has campaigned for both "soup on the rocks" and "soup for breakfast" to bolster soup consumption, now is back of a "Soup Bar for Busy Business Women." While soup bars in department stores are not new, backing by a major soup company with plans for concentrated promotion is new. Until now most soup bars have been in rear areas of stores, or on upper floors out of sight, but Campbell hopes to set them into heavy traffic centers, and more than one to a store. New York's Oppenheim-Collins is putting Campbell soup bars in its 12 stores in New York, New Jersey, and Pennsylvania. And major stores in Austin, Buffalo, Detroit, Houston, New Haven, Newark, Philadelphia, Portland are also set for them. Big purpose back of the soup bar, of course, is "speed-feeding"—to give busy business women more time to buy merchandise during the lunch hour. A new counter-type soup vender (made by the Fedam Co., Elmwood Park, Ill.) dispenses from one to 10 varieties in individual 8-oz. cans. Campbell and Charm magazine, which is also promoting the quick-lunch idea, suggest mixing soups—e.g., scotch broth with black bean, tomato with rice, celery with chicken noodle

New Marketing Trends

Ideas keep the world interesting, if not spinning. Retailing today is brimming with new ideas—from the suburban shopping centers and giant discount houses to the burgeoning highway merchants, who open shops on major inter-city highways, keep them open nights, weekends, holidays. Here are some of the newest ideas from retailers—all of them aimed to boost business by helping the lot of the shopper.

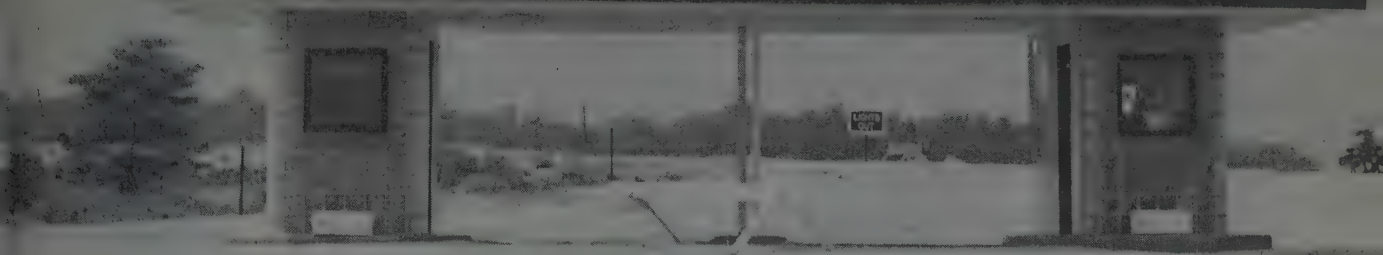


TAKING a leaf from the retail grocery field, Carvel Co. recently opened this Ice Cream Supermarket in Hartsdale, N.Y. The company claims the store produced the greatest one-day volume (\$6,000 worth of ice cream purchased by more than 17,000 customers) ever chalked up for ice cream by an ice cream retail store. The supermarket offers more than 200 varieties of hard and soft ice cream. Many are displayed in an 8'x8' rotary refrigerated display cabinet, designed by Carvel, which can show off 50 products continuously. To promote the variety, the firm has erected inside the store a specially enclosed glass room where a French ice cream chef demonstrates daily the art of making ice cream cakes and novelties. If a customer desires, he can purchase a seven-foot high wedding cake made entirely of ice cream for \$435. Life-like busts of ice cream of famous personalities or friends can be had for \$100. These purchases are, of course, rare, and the bulk of the business comes in take-home sales (all outgoing products are packed in dry ice or special Jiffy bags), which account for two-thirds of the volume. Built on the site of a smaller store, the new supermarket in April registered four times the volume over a year earlier of the other store. To retain this volume, Carvel has undertaken an extensive advertising campaign with radio, newspapers, and saturation use of handbills throughout Westchester County. The company hopes to make the supermarket the area's "dessert headquarters."



THIS experiment in around-the-clock bakery vending in Philadelphia temporarily has hit a snag, but Hanscom Brothers, Inc., hopes to have the sidewalk service in operation again soon. Mechanical difficulties have halted the vending, at least for the time being. Service was set up at Broad St. and Olney Ave., heavy traffic point in one of the nation's top cities. It's a transfer point both for surface and subway transportation, and bakery officials estimate that close to 65,000 people daily pass by the bakery, one in the large Hanscom chain. While most of that traffic is in the daytime, when customers could go into the shop, people in a rush still could use the vender to save time. The vender, made by Sidewalk Service Co., dispensed cakes, coffee cakes, doughnuts, pies and rolls. These were held in 10-inch square trays located on a motor-driven chain right inside the window. Selector, coin mechanisms and delivery doors were exposed to the street. Customers could insert from 5 to 75 cents (highest priced item vended). Exact change was needed since the vender did not include a changer.

FLY IN DRIVE IN THEATRE



THIS fly-in, drive-in theater started as a gag in Neptune, N.J., but proved popular enough for manager Ted Gaertner to exploit it. He can, because his outdoor theater is adjacent to the Monmouth County Airport. A sleek, wide taxi strip from the airport to the theater enables families with private planes to forsake the highways in getting to the movies. When, a few years ago, a friend wanted to bring his plane from the airport to the theater, Gaertner let him do it for fun. Soon other pilots in the area heard of the possibility, began arriving for the late evening show. Now, as many as 15 planes jostle automobiles for a good "seat" for the movie. Gaertner, who quickly changed the name of his theater to include the fly-in title and bills it as "The Most Unique Outdoor Theater in America," says business is up "immeasurably." Children, for example, induce their parents to come to Gaertner's drive-in so they can see the planes, which indulgent pilots let them examine.



SCOTT L. MOORE, president of Fort Lauderdale's American National Bank, chided one of his golfing friends for not doing business with him. Said the friend, "I would, but the highways leading to American are always so clogged." Then he laughingly added, "But if you'd put in a boat dock so I could stay off the highways, I might consider it." That's what Moore did.

While novel, it's not as impractical as it may seem. Like Venice, Fort Lauderdale is dotted with canals, has probably the world's largest yacht basin in Bahia-Mar and a highly boat-minded population. Like Moore's friend, people have quickly taken to the idea ever since the "Bank-by-Boat" dock was opened in mid-March. Moore estimates up to 30 boats a week use the dock (nowhere approaching the traffic of 500 cars a

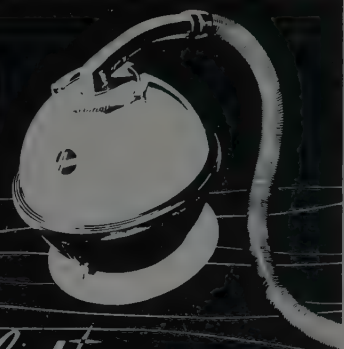
week in the bank's five drive-in windows), but Moore thinks it's business the bank might not get otherwise.

Florida law prevents a teller from transacting business at dockside outside of the bank, so dock users must leave boats and go into American National. Moore hopes eventually to solve this difficulty by extending a covered runway to dockside if the business increases. So far, "Bank-by-Boat" users haven't minded getting out of their craft and walking to the bank.

Moore advertised the new banking method with full-page ads in Fort Lauderdale papers stressing "Bank-by-Boat" ease. Since this opening there have been reports of new boat-dock banks in California.

COME SEE

*the cleaner that
walks on air!*



NEW HOOVER *Constellation*

S P E A R ' S

Hoover's co-op outdoor campaign: Hoover staffers help dealers plan campaigns like this one

Hoover's comeback cleaner

- Venerable Hoover Co. launches remarkable new cleaner.
- Both product idea and price (\$97.50) will take selling.
- Meantime, other vacuum cleaners sell at cut prices of \$39.95.
- Here's how Hoover hopes to meet & beat such problems.

WHETHER or not they like to admit it, vacuum cleaner marketers have struggled mainly in recent years to keep up with Alex Lewyt, who revolutionized both vacuum cleaner design and distribution. Shortly after World War II, Lewyt Corp. popularized the now standard canister-type cleaner, first radically new development in the business since its turn of the century birth. The industry eventually caught up with the canister, but by that time (1954), Lewyt's model was on the market sporting (for mobility) two big wheels.

➤ It finally looks as if one competitor is about to give Lewyt a run for its product design money. Last month the venerable Hoover Co., whose name for years was all but synonymous with vacuum cleaner, broke an impressive advertising campaign for its equally impressive new Constellation No. 84—"the cleaner that walks on air." When the canister-type cleaner is operating, the exhaust air is forced directly downward

into an empty space enclosed by a circular flange-like base. That "compressed air" lifts the cleaner from the floor, allows the operator to move it in any direction without much effort.

After standing still for nearly 20 years, the vacuum cleaner business is now doing pretty well, thanks doubtlessly to the canister cleaner (which now accounts for 60% of industry output). Last year's total industry unit sales of 3,330,000 were 25% higher than in 1954, topping every previous year's sales except war-hyped 1950's. As for the power of Lewyt's policies, that company now places among the top three in vacuum cleaner dollar sales—together General Electric, Hoover and Lewyt reaped probably 60-65% of 1955's \$292.8 million in sales.

➤ Hoover's bid with its remarkable new Constellation trades on every major trend in the industry today except one—price. Long plagued by the discount houses, General Electric early this year

chopped the retail price of one of its canister cleaners (the "Roll Around") from \$69.95 to \$49.95 (the other, a brand new model, the "Roll Easy," has a \$69.95 suggested price). The industry has yet to follow suit—Westinghouse and Eureka models still begin at \$69.95. Lewyt, however, which raised its Golden Lewyt from \$79.95 to \$89.95 this year, now has a \$59.95 cleaner to meet the GE price cut one.

Hoover's new cleaner goes to market listed at \$97.50—a far cry from the discounters' price on some cleaners of \$39.95 (such as GE's and Lewyt's). Hoover, of course, is betting on the Constellation's new features (including more horse power, a new kind of rug nozzle) to make it go over at a higher than usual price (discounters are already selling it at \$20 off list).

Hoover's new Constellation particularly spotlights the industry's bold use of color this year. The Constellation's combination of mulberry, sandalwood and thistle competes for the housewife's eye with GE's new turquoise canister, Westinghouse's two-tone turquoise model and Lewyt's wheels, now encased in white-wall rubber tires.

Hoover's new Constellation is clearly ahead of competition in mobility—providing it can successfully explain its "air glide" idea to the public. Both Lewyt and GE have wheels on their

canisters while Westinghouse and Eureka models are on casters.

► Hoover's new cleaner gets its biggest ad push on network television, Hoover's favorite product launching medium (early in 1955, Hoover used network television to launch its Constellation No. 82, its first canister cleaner).^{*} Hoover will demonstrate the new cleaner on NBC-TV's Today and Home shows, on ABC-TV's daily Afternoon Film Festival and on the same network's Famous Film Festival (Sunday evening).

Sametime, color magazine pages and spreads in American Home, Better Homes & Gardens, McCall's and Savee-post add what Leo Burnett account executive Norman Le Valley calls "background music" for the television advertising. Later the new Constellation will be integrated into Hoover's year-round magazine advertising (which took about 70% of 1955's budget of \$1,096,784).

► Hoover's bid to build its market share has been gathering force since 35-year-old Herbert Hoover, Jr., succeeded his father, the late Herbert Hoover (no relation to the ex-president) as head of the company four years ago. Young Hoover, who has served in most departments of the family business, has added product design and engineering personnel, beefed up marketing research (by adding two additional men), moved Hoover into several new product fields (it now has an automatic coffee maker, a three-speed hand mixer, an iron and soon will make washing machines in

^{*}While Hoover's big emphasis these days is on its revolutionary new Constellation canister cleaner, it continues (as do GE and Westinghouse) to plug two traditional uprights, The Lark (\$89.95), The De Luxe Citation (\$124.50) and its Hoover Pixie, a hand vacuum cleaner (\$39.95). Hoover believes the traditional upright (with bigger bag) still is the popular cleaner for homes with wall-to-wall carpeting and big cleaning jobs.



Hoover's new net TV commercials demonstrate the "air-glide" cleaner

Mexico City). Young Hoover also has lured a new set of marketing brains, particularly ad director Wilbur C. Jones who came from Bendix (before it became Crosley-Bendix) where he was also ad director, and general sales manager W. A. Munz, a Hoover veteran of the New York sales office.

One of president Hoover's key marketing moves has been to adjust his company to the changing distribution pattern in the vacuum cleaner business. Before Alex Lewyt, nearly 75% of all cleaners were sold door-to-door. As for the new cleaners that did manage to invade appliance outlets, most gathered dust in the stores instead of homes. At war's end, vacuum cleaner saturation stood at roughly 48% of wired homes—about where it was 20 years before. Meantime, such "newcomers" as refrigerators had by 1947 soared to 71% saturation, washers to about 63%.

Lewyt, of course, decided to sell only

through appliance distributors to dealers, forcing retail distribution by dazzling the public with a barrage of advertising. To meet & beat Lewyt's distribution revolution (now probably 75% of all vacuum cleaners are sold through appliance stores), Hoover's Hoover has been polishing the company's dealer supervisor setup (which started five years ago).

► Today Hoover has between 400-500 dealer supervisors attached to its 100 sales offices (which sell direct to dealers). Their sole job is to help Hoover's 22,000 dealer accounts sell Hoover products more effectively—they advise on every aspect of selling from advertising Hoovers locally to servicing them.

Hoover maintains its elaborate and doubtlessly expensive dealer supervisor setup basically to get dealers to give the maximum advertising push to Hoover cleaners. Hoover's dealer supervisors, for example, work as if they were ad managers for each dealer. The current Hoover posters (see cut) are placed co-operatively.

Sametime, Hoover maintains the service arrangement it always has had—repair centers in each sales district. At a telephone call from either a dealer or a housewife, the serviceman will call on the housewife to pick up her cleaner for repair. Hoover's servicemen, as always, are also salesmen who try to sell replacement vacuum cleaners.

Today vacuum cleaners have probably a 64% saturation of wired homes—in short still an enormous potential, not counting replacement sales. As for how Hoover's new policies are paying off, the company last year boasted \$53,680,000 in sales—20.9% over the year before. Net profit of \$4,000,000 was a high 71% over 1954's. ■



Hoover's president Hoover: new product idea plus old sales tactics

Launching a brand name

- Don Corning eyed a new market for its silicones.
- Trouble was, the market had never heard of them or their value.
- Rather than define them, the company demonstrated them.
- Here's how Dow Corning used PR to stretch its ad budget.

IN 1953, Dow Company Corp., was in the position of many industrial suppliers of raw materials. Since 1949, it had sold silicones to chemical companies which used them in various manufacturing processes. Now it wanted to market silicones directly to two new industries—textile and leather. Its problem was two-fold: the textile and leather industries knew little or nothing about silicones, and Dow Corning knew little or nothing about the textile and leather industries.

After some technical research, Dow Corning decided late in 1953 that textile and leather offered a promising market for silicones; both industries, Dow felt, could use silicones in mills and finishing plants for wet processing into fabrics and leathers. The only way to do it was to build up trade and consumer recognition of silicones.

This presented several barriers, not the least of which was in understanding what silicones are and what they do (see box). Since silicones had been used previously only as an ingredient in other chemicals, few people outside chemical laboratories had even heard of them.

► For help in describing silicones, Dow Corning looked for an advertising agency that knew the textile field, selected New York's Anderson & Cairns. After several preliminary conferences, both client and agency were agreed on the first step: a complete education job. Since Dow Corning's ad budget for silicones was limited, and since an ad campaign alone would be inadequate for the job, a combined advertising and publicity program was planned.

Explains William T. Rossiter, sales manager of the Textile & Leather Industry Division of Dow Corning: "We had established the product technically before we turned commercial. We'd been engineers, selling primarily to engineers. Suddenly, here we were,

ready to merchandise an ingredient product, and advertising alone couldn't reach the necessary people."

► What Dow Corning wanted its agency to do sounded easy: create demand for silicones. The client wanted textile and leather manufacturers to demand silicones to be used in the dyeing process of materials; the client wanted retailers to demand that clothing and shoes be treated with silicones, to make them water-resistant; and the client wanted consumers to know what silicones can do for soft goods, and to demand silicone-treated soft goods when they shop.

At first both client and agency wondered if a publicity and ad campaign describing silicones might do the job;

Anderson & Cairns made a few telephone calls to business publication editors, to determine just how much (or how little) the textile and leather trade knew about silicones. The answer was easy: nothing. So a simple description was out. The conclusion by both agency and client was that only by demonstration, and as dramatic a demonstration as possible, would the advantages of silicones be made clear.

► Anderson & Cairns began by setting up a series of breakfasts in New York City, not for purposes of gaining publicity but rather for explanation and demonstration. At these breakfasts, business press editors were startled to see Rossiter's New York assistant manager, Norton C. Foster, climb into a portable shower fully clothed. Half of his suit had been treated with silicones, the other half had not. As the water saturated half his suit and left the silicone-treated half almost dry, the editors got a good idea of silicones, properties. Successive luncheons demonstrated the effect of silicones on leather shoes.

Next step in the program to establish brand acceptance for silicones was the designation of trade names for the two



Dow Corning Textile & Leather Industry Division's assistant sales manager C. E. Sanford, sales manager William T. Rossiter, Dow Corning assistant ad manager R. L. Parkin, president W. R. Collings.

Now you can have
the lasting protection of
SYL-MER the silicone for fabrics...

In shoes, it's **SYLFLEX**
the new tannage that
keeps the life in leather



Dow Corning's Life ad: kickoff of the big silicones promotion

types of silicone finishes—Sylmer for the fabric finish, Syflex for the leather finish. A standard silicone trademark, a stylized emblem developed by Dow Corning, was incorporated to tie together all advertising and promotional material.

➤ Sylmer got its first big push at the 1954 National Home Furnishings Show, where silicone-treated fabrics were first publicly introduced. Twelve of the booths in the show, each a room decorated by a different fabric decorator, highlighted the use of silicone-treated fabrics and reportedly made a favorable impression both on the trade and on consumers. The 12 decorators have since continued to use the silicone-treated fabrics, and Dow Corning has been able to merchandise this use in its ads and publicity.

To sell its silicone finishes on both the technical and non-technical levels, Dow Corning maintains two separate sales staffs. The technical sales staff works directly with mills and engineers, the national sales promotion staff sells the concept of silicones to manufacturers and retailers.

The latter, besides concentrating on the retailer and consumer by selling them right in the store, also functions as a public relations force by appearing on radio and television interview shows to talk about silicones. Anderson & Cairns fashion publicity director Marian Christopher backs up the sales promotion staff by making regular trips to specified markets, talking to newspaper, magazine and business publication editors (and retail sales people) about the effects of silicone finishes. Publicity for silicones is not too difficult to obtain,

says Anderson & Cairns, once the product is demonstrated and explained.

➤ Following the introductory publicity, Dow Corning broke the advertising campaign starting in business publications. Full-page ads gave a dramatic picture of the advantage to the textile and leather industry of silicone finishes. In November, 1954, the campaign was extended to consumer magazines, starting with a full-page four-color ad in *House Beautiful*. This ad not only served as a feeler for consumer acceptance but also, by playing up those decorators using silicone finishes, stimulated interest among other decorators. A series of ads will continue throughout this year, in most of the leading consumer magazines and many business publications.

The climax for the promotion, for both Sylmer and Syflex, will be reached in September with a spread in *Life* magazine; it will be followed by what Dow Corning claims is the largest

expenditure by a textile chemical firm in support of a retail promotion.

➤ Dow Corning has persuaded manufacturers using silicone finishes to promote them with tags on their merchandise. Retailers will tie in with point-of-sale display and local advertising (although Dow Corning does not participate in co-op advertising, many manufacturers using silicones will devote some of their co-op money to the promotion).

Dow Corning's national magazine campaign will be supplemented with a radio spot campaign in nine major markets. Some 40 leading department stores, 2,000 specialty shops, and 200 apparel, home furnishing and footwear manufacturers will tie in with the promotion.

➤ As consumer acceptance of silicones increases, Rossiter hopes that Dow Corning will be able to go into television. Because of the "dynamic, demonstrative qualities" of the product, says Rossiter, television would be "great." But there has to be a backbone of consumer acceptance first.

Rossiter feels the combined advertising-publicity program has been quite successful, points out that "By parlaying a public relations budget with a small advertising budget, we've made the advertising go about five times as far as it would otherwise have gone." The over-all marketing expense for the whole introduction of textile and leather silicones, says Rossiter, has been about \$1,000,000.

➤ Rossiter estimates a \$25,000,000 market potential for the leather silicone finishes, and a \$20,000,000 market in fabrics, adds that "a reasonable share of that market has already been reached" and the total market potential should be realized in "four or five years." But, adds Rossiter, "we must keep in mind that here is a new and changing market, and who knows what the next few years will bring?" ■

What are silicones?

Anderson & Cairns' basic problem in this combined PR and advertising campaign was with silicones themselves. Like many modern chemicals, they are difficult to define; A&C solved the problem simply, by concentrating on a description of what silicones are and what they do.

Silicones have several properties: they are water-resistant, and make crease-resistant materials. Silicones enhance the "feel" of any material into which they are processed; they also make them stain

resistant. Silicones act as an adhesive agent, and have extreme resistance to both heat and cold.

Silicones can take practically any form: fluid, oil, grease, resin, varnish, rubber and other compounds. They are used as finishing agents, not only in textile and leather, but in hundreds of other products such as cosmetics, polishes, machinery, paint, lubricants. There is even a drop of silicone in the speedometer on your automobile dashboard—to keep the needle from fluttering.

ONE ADMAN'S OPINION

®

By Lester Leber



Silver lining

Although the heavy corporate hand is still visible in most advertising, there are welcome signs of change.

From a highly ethical pharmaceutical house: Squibb is promoting its Vionate food supplement for animals with delightful whimsy. "If your pet thinks you're something that shouldn't happen to a dog, then hop down to your nearest drugstore and get him a can."

From an industrial giant: Allied Chemical is advertising its Melamine dinnerware with the light touch in art (cartooned dowager dropping a tray of plates) in headline (Oops . . . thank goodness it's Melamine) in copy (mighty handsome—and you can't hardly break it).

From a piano company: Baldwin kids its expensive spinet organ with fantasies. Mark Antony lost interest in Cleopatra when he discovered that she had neglected her musical education, although he had at first been "captivated by her

comprehensive knowledge of geopolitics . . . her penetrating analysis of the intricate science of logistics . . . her superb apple strudel."

When Squibb, Allied Chemical and Baldwin see the wisdom of unbending in their approach to the public "there ariseth a little cloud out of the sea, like a man's hand."

Three little words . . . and what they mean

From an adman's standpoint, the most interesting copy on Marlboro's package is "Exclusive Selectrate Filter." It's significant because of its significance.

When the package was planned, this mumbo-jumbo must have been included from force of habit. It wasn't fully realized that advertising, particularly for cigarettes, is moving at a dizzy pace away from the phony, contrived gimmick toward intelligence, sophistication, credibility.

Marlboro's success proves the point. "Exclusive Selectrate Filter" has been conspicuous by its absence in advertising and displays. If it had been made the main selling appeal (as might have been the case a few short years ago), Marlboro might not be riding high today.

Ad of the month

Few products are more difficult to advertise than mattresses. Although their essence is softness, most of their advertising looks hard. Construction diagrams, aching backs, laboratory tests, X-ray views and the like contradict the very restfulness for which the mattress is created.

For avoiding this pitfall June's honors go to Koylon Foam (see cut). Here's a page that looks like you want the prod-

uct to make you feel. The sleeping child, the headline, the copy and the product illustration are handled with good taste and rare understanding.

Only cacophonous note is the heavy black "United States Rubber" and trademark. It was undoubtedly included only because of a ukase from headquarters. It's fine for tires but wrong for mattresses.

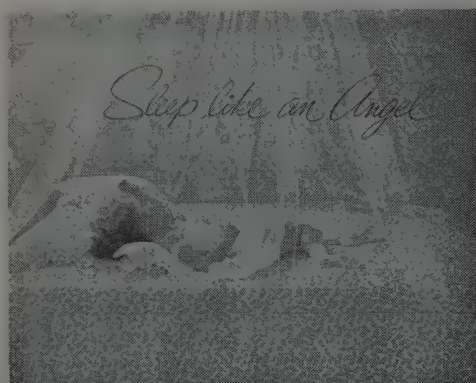
One man's questions

- Why doesn't somebody make men's trousers with adjustable waists? The sizable sales of dietetic foods and beverages shows how many people are trying to lose weight. Most of them fluctuate. The tale of woe about how much it costs a man to alter clothing because he has taken off or put on poundage is frequent enough to indicate a market for slacks that take up the slack.

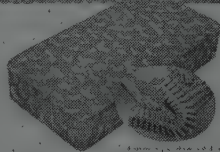
- Did the man who made up last month's Charm deliberately place Maidenform and Chevrolet on consecutive pages? The first headlines "I dreamed I had Spring Fever" and the second uses "19 sure cures for Spring Fever." (This sort of thing is good because those who do notice it get a chuckle and a conversation piece.)

- The prevailing opinion among almost everybody who owns an outboard motor is that Evinrude and Johnson are exactly the same, except for name and painting. They are made by one company, a fact which is proclaimed in every ad for the power-mower which is also produced by this manufacturer. How does Johnson expect any credibility for this headline: "No other outboard motor is built like a Johnson Sea-Horse. None!"?

- Isn't the first ad in Coca-Cola's new campaign a let-down? After all the furor about changing agencies, most of us expected more than another photograph of teenagers and a headline saying "Its real great taste puts you at your sparkling best."



From the comfort of your bed, you can enjoy the softness and support of Koylon Foam. This is the only mattress that is built to last. It's the only one that's built to last. It's the only one that's built to last.



Bedroom Label
U.S. Koylon
FOAM



United States Rubber

Ad of the Month

MEDIA FORECAST

JUNE 8, 1956

What Constitutes A House Agency?

In the current, growing debate over the commission system of agency payment, media hold a key spot. As Tide reports on p. 19, one medium after another reiterates that neither advertisers seeking to place ads direct nor house agencies will get the 15% commission.

Such statements from media raise the question of what constitutes a house agency?

For example, is Morse International, both agency for and wholly-owned subsidiary of Vick Chemical Co., a house agency? Is Wesley Associates, a subsidiary of and agency for Shulton, Inc. (Early American, Old Spice toiletries, etc.), a house agency? What about the Hazel Bishop-Raymond Spector Co. setup, since both company and the agency serving it are controlled by Raymond Spector?

Apparently the 4A's, which defines a house agency as one which "has been established or is being maintained by one or more advertisers having direct or indirect financial interest in it," would consider these agencies house agencies.

But Periodical Publishers Assn., only accrediting association for magazines, doesn't agree, for it recognizes all three—and all three collect the 15%. (When asked for a definition of a house agency, PPA said: "We have our own definitions and apply them, but we can't tell you . . . we can't tell anybody.")

In the past few months several advertisers have asked publishers if they would recognize newly formed house agencies and have been refused. It certainly would seem to follow that if some house agencies now get the 15% commission, new house agencies should, too. The only apparent distinction at the moment seems to be that older house agencies can collect it, newer ones cannot.

Advertisers interested in the current debate about the commission system of agency payment may want to find out more about double talk like that.

When Will FCC Solve TV Stature Shortage?

Washington's preoccupation with network television practices is reaching the ridiculous stage—but not just because no action is resulting.

With whatever intent, the raft of Congressional committees investigating the networks have yet to make it clear that they understand the basic problem afflicting television today. That problem, of course, is the shortage of TV stations, a problem caused by the narrowness of the VHF spectrum band (only 33 cities in the nation can have three stations or more).

Thus one part of the government (Congress) is chasing monopoly charges (see below) in a situation which another part of the government (FCC) created and is perpetuating. All the recent noise about networks' option time practice, for instance, must be considered in light of what sort of complaints there would be should there be as many TV stations in important markets as there are radio stations.

Until somebody forces the FCC into a sensible solution (if there is one) of the incredible shortage of TV stations, there can be only limited chances for competition in the television industry. What's needed, obviously, is fresh, new thinking on how to break the TV station bottleneck.

One possible solution that needs much more thorough exploration is using the coming color television to solve the shortage. Color sets equipped with UHF converters is the first area to study.

Sidelight to Celler Probe:

One of the committees looking into the television mess is the House Judiciary Committee's anti-monopoly subcommittee chaired by Rep. Emanuel Celler (Dem., N.Y.).

The Celler subcommittee, along with its Senate counterpart, the Interstate & Foreign Commerce Committee under Sen. John Bricker (Rep., Ohio), is trying to get to the bottom of possibilities on all front of monopolies among the TV networks (programming, network control of local stations, etc.).

One interesting sidelight of the Celler subcommittee's probe is his investigation into the possibilities of an advertising agency monopoly of TV option time. Some 15 of the top TV-billing agencies were queried last February, and responses should be ready when hearings get under way mid-June.

The inquiry seeks to know just who buys what time when. Questions asked included the amount of TV time (stated in terms of Class A, Class B and Class C) bought for all clients during January; the total gross money value of that time purchased; the name of each client for whom TV network time was procured during certain weeks of 1955; the particular hours so scheduled for those clients and, for each program, the name of the network and scope of network coverage involved.

Pressure Mounts To Get Magazines In Supermarkets:

Magazine newsstand sales, declining for some time now, may get a much needed boost, thanks to stepped-up supermarket and food chain distribution.

Some publication circulation men believe that slumping newsstand sales are due to inadequate distribution, particularly in newly growing suburbs, not just to today's deluge of cut-rate subscription offers.

Curtis Circulation Co. has talked the long-reluctant A&P into selling its list of titles in New England A&P's. American News is trying to get the magazines it distributes into A&P and other chains. Sametime, Union News Co. this month opens magazine stands in Food Fair stores in New Jersey, New York and Pennsylvania.

Town Journal is also on the bandwagon, will begin this month to distribute through 6,000 independent (IGA) food stores.

Supermarket distribution has been growing rapidly in the past few years. In 1947, 23% of all supermarkets carried magazines; last year, of all newly built supermarkets, 70% handled magazines. Magazine distribution is growing, too, in chain drugstores and suburban shopping centers.

Time, Inc., which distributes through S-M News Co., has long worked to interest supermarkets in magazine racks.

SI Nears Black Ink:

Sports Illustrated appears to be moving rapidly toward the profit side of the publishing ledger.

For 26 issues so far this year, SI has booked 557 pages, has exceeded the revenue quota set for it for 1956's first six months. While SI has periodic issues which make money, best indications are that by 1957 it will be operating on a regularly profitable basis. SI's proudest claim: 26 of top 50 magazine advertisers have put SI on the schedule.

EBB & FLOW

All those in favor . . .

Early last month, researcher Alfred Politz made a speech before the ANA meeting in Chicago in which he discussed the obligation of marketing researchers to produce ideas. Considering that too many research men consider themselves (or accept an assigned role as) mere statisticians, Politz' point hits home.

"The marketing researcher should avoid the academic fallacy," said Politz, "that he is doing his duty if he arrives at a finding. [He] should not consider himself a pure researcher; he should put himself in the role of marketer. He should not confine himself to being just a technician, but should use as much imagination as does a businessman. He should force himself to come up with ideas that are acceptable in practical market use, and reject any other findings. If he knows he has to come up with practical ideas, he cannot afford to measure that which is irrelevant.

"The marketing researcher must start with an idea that is a practical one and wind up with an idea that can be used by a marketer to increase the following for his brand. Without this practical approach, all else is vanity."

A study in reader loyalty

Speaking of research, we are often impressed with what some of the smaller magazines (compared to the multi-million circulation giants) can do with research. We've stressed many times that reader interest and loyalty, not sheer numbers alone, is the key to circulation value. A recent study conducted by Road & Track, America's sports car magazine, offers further proof of this argument.

Last August, Road & Track sent to a systematic random sample of its subscribers a long and rather involved questionnaire. Some 3,500 subscribers got the questionnaire, and they weren't

offered any discounts, money, premiums or other incentives—just a short, to-the-point letter from the editor. The return, believe it or not, was 74%, a figure that should make a few promotion manager's heads swim.

This is certainly an unusual return, but so is Road & Track an unusual magazine. It was started with no financial backing. The entire editorial staff was without prior publishing experience. It made every mistake in the book. It screened advertising at a time when it could least afford to do so. It offers no gimmick or price cuts on subscription renewals, and still manages to pull renewals as high as 69% with only a post card notice of expiration.

That, as you might guess, is reader loyalty in its purest form. Road & Track may not be able to play a number game when it tells its story to advertisers (its ABC circulation is close to 90,000), but like many magazines with fervent and faithful readers, it has a convincing story all its own.

Two worthwhile studies

Before we leave the subject of research, there are two studies you might find it worthwhile examining. One is a study by BBDO's research department (in co-operation with the National Retail Dry Goods Assn.) on how customers evaluate the services offered by retail stores. Of the 36 services considered in the survey, the five most popular are 1) regular charge accounts; 2) free delivery; 3) automobile parking lot; 4) service for paying utility bills, and 5) free gift wrapping.

The other survey is not new but certainly still pertinent. It was conducted by Chicago's Social Research, Inc., in 1954 for the Metro Sunday Comics Network, and deals with peoples' attitude and feelings toward Sunday comics. It, combined with the motivation study conducted by Puck, the Comic Weekly, and reported here in

BRITISH ADVERTISING AGENCY SEEKS TIE-UP

• **WE** ARE a well-known and reputable British advertising agency, established in 1926. Our headquarters are in London, and we have branch offices giving complete advertising service in Birmingham, Manchester, Leicester, Sheffield and Bristol.

We tend to specialize in Trade and Technical advertising, though we are doing an increasing business in national consumer advertising too. Our current billing exceeds £1,000,000 sterling per annum.

We wish to investigate the possibility of coming to a working arrangement with an agency about our own weight in America and Canada, whereby we can exchange marketing data and develop new business on both sides.

Our Chairman—Mr. John F. Preston—will be in America and Canada from mid-September to mid-October and would be glad to meet the principals of any advertising agency interested in this subject. Meanwhile, please air-mail:—


John F. Preston
Ripley, Preston & Co., Ltd.
Ludgate House,
107-111 Fleet Street
LONDON. E. C. 4

The **ONLY** Clipping Bureau reading over 3,000 trade and class publications, as well as every English language daily and 10% of the weekly field.

LUCE PRESS CLIPPING BUREAU

157 Chambers St., NYC 7—BARclay 7-2096
406 West 34th Street Kansas City 11, Mo. 715 Harrison Street Topeka, Kansas
Write or Phone for Details.

Created and produced by SARRA, this series of 20-second spots and 8-second ID's does a forceful selling job for O'Keefe's Extra Old Stock Ale and Old Vienna Beer. A clever combination of animation, stop motion and live action photography concentrates on establishing high memory recall of the product's name and label. The bouncy jingle reiterates, "Be brief: say O.K. for O'Keefe's." Created and produced by SARRA for CENTURY IMPORTERS, INC. (division of Canadian Breweries, Ltd., Canada) through COMSTOCK & COMPANY.

SARRA INC. 

New York: 200 East 56th Street
Chicago: 16 East Ontario Street

SPECIALISTS IN VISUAL SELLING

EXECUTIVE EXCHANGE

Address Box Numbers to:
Tide, 1564 Broadway, N. Y. 36, N. Y.

HELP WANTED

We Have An Unusual
Opportunity For

AN UNUSUAL ADMAN

Our man must have agency experience or the equivalent, with a background of Institutional advertising in aviation or related technical fields.

Military air, and, or airline background very desirable.

Our unusual man will be in a permanent executive position with one of the largest producers of aircraft and missiles; with offices located on the West Coast.

Send complete resume and salary requirements. All replies confidential. Box T-540

BUSINESS SERVICE

TO ADVERTISING AGENCY EXECUTIVES

On account of illness, sacrificing handsome conference table, size 35 x 80, and 6 chairs in perfect condition. Located Radio City, NYC. Phone Circle 6-8720 for appointment. Must be seen to be appreciated.

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PRINTED BY

THE BILLBOARD PUB. CO., CINCINNATI 22, O.

the May 5 issue, should certainly tell advertising executives all they want or need to know about how people feel toward their Sunday comics.

What price good will?

Last issue, we discussed what we felt was a major error in public relations by the New York Shipbuilding Corp. This issue, we'd like to do a turnabout and describe a move in smart and progressive PR made by the same company.

In Camden (N.J.) the New York Shipbuilding Corp. was (and is) building what will eventually be the world's largest drydock. In order to form a base for the drydock, the company planned to drill 26 deep wells to divert subsurface water.

When the company's plans were revealed, 10 municipalities and industrial firms protested that digging the wells would affect the water supply of many nearby communities. Despite this protest, New York Shipbuilding got approval from New Jersey's State Water Policy & Supply Council.

While New York Shipbuilding would have had every legal right to proceed with its plans, it decided instead to abandon them in favor of a considerably more expensive solid concrete substructure. The move was hailed by local newspapers as "an excellent example of how industry can act for the common good."

Favorable public relations often has its price, but it seldom compares to the costly damage done by unintelligent PR thinking. New York Shipbuilding Corp. proved, at least in this instance, that it knows the value of good will.

PR's first annual report

An annual report, as you know, is usually a report on how well a company has done, financially, in the preceding year. When the PR men moved in, companies began recognizing that an annual report could serve many more valuable purposes than the mere reporting of figures.

One PR firm, however, has carried the annual report a step too far. Ruder & Finn, New York PR counsels, last month issued what it believes is "the first annual report in the public relations field." But when you read it, you find that it omits the basic reason for issuing an annual report—the financial statement—and instead covers the breadth and depth of Ruder & Finn's activities. As such, it boils down to little more than a puff sheet.

We wouldn't ask Ruder & Finn to open its books to us or anyone else. As a private corporation, its finances are its own business. We feel that issu-

ing an annual report, under the circumstances, is therefore somewhat misleading. We wonder, considering the number of potential clients who might feel the same, whether "PR's first annual report" was such smart PR.

A study in survival

Just recently, we heard about two radio stations which are determined not only to survive but also to do well in this 21-inch era.

One is New York's Station WOV, which is certainly up to its ears in competition. In the country's biggest radio & TV market, WOV is aiming for the minority groups by broadcasting "Italian all day, Negro all night." So far, it seems to be paying off.

The other station is WHDH in Boston. WHDH sends out, each day, an easily identifiable station wagon, driven by a beautiful model. She pulls up next to cars at traffic lights, asks the drivers what musical selection they'd like to hear, radios the request back to the station, and within minutes the request is played.

Moral: if you can't beat 'em at their own game, make up a game of your own.

Service at its best

You hear, all too often, about the "service" this or that publication performs for its readers. It's a rare instance when a magazine can point to clear and concise examples of service. For Minnesota Farmer, that opportunity cropped up (no pun intended) just recently.

In one of its editorials, Minnesota Farmer suggested a way to dispose of farm surplus. The magazine recommended that Congress investigate the possibility of processing existing farm surplus into edible, storable food that could be used in national emergencies and stored in rural areas to feed metropolitan evacuees in case of atomic attack. To help put its plan into action, Minnesota Farmer recruited the support of various civic, political and industrial leaders and printed their letters in a subsequent issue.

In less time than it takes to warm up a tractor, Minnesota Congressman August Andresen of the House Agriculture Committee introduced a bill in Congress recommending Minnesota Farmer's proposal in its entirety. And he gave Minnesota Farmer full credit for the idea.

This may be a rare case, but it should serve as a goal for those magazines who do little more than talk about service to their readers and advertisers.

The Editors

LETTERS

Leisure market

Sirs:
Your articles on "Tomorrow's leisure time trends" are tremendous. We're interested in having reprints of the series to use for a permanent file. . . .

C. Y. Schelly

Olmstead & Foley
Minneapolis

Reprints of the leisure time series will soon be available.—Ed.

Detroit Diatribe

Sirs:
I enjoyed very much your story, "Winning sales by winning races," in your May issue. The automobile industry's approach to sales, advertising and merchandising has long interested me.

I can understand why auto makers are playing up victories in stock car races, but don't believe it's for the reasons you—or they—give. I don't think the average automobile owner knows or cares who wins stock car races.

The simple truth to Detroit's current preoccupation with racing, to my way of thinking, is that they've used up every other possible advertising approach—not only used it, but run it into the ground. They went on a styling kick, until some designers lost their heads and began turning out three-tone cars of purple, blue and tangerine green. When the public

couldn't swallow that, they began making cars longer and longer until people couldn't maneuver them any more. Next came the horsepower splurge; when safety engineers pointed out it was foolish to put such high-powered cars into the hands of our inept drivers, Detroit switched to safety. That went over like a lead balloon, so racing was the logical alternative. It'll only be a question of time before they give that up and try again.

Automobile manufacturers keep saying that they build what people want. Yet you and I and the research experts know that people aren't sure what they want. I think auto makers create the want, through high budget advertising campaigns, and then make the car fit the want. It's nice work if you can get it, and Detroit's got it.

It seems to me that automobile manufacturers have demonstrated an amazing degree of economic irresponsibility, now catching up with them in the form of disgruntled dealers, a sated public, huge stockpiles of unsold automobiles and government legislation.

When so much of our economy depends on automobile manufacturing, more responsibility is called for. I'm opposed to any and all forms of government regulation, but at their present rate auto makers are certainly inviting it.

William C. Gray

New York City

Perforated Tide

Sirs:

I think the idea of perforating the edges of your pages is a wonderful one and it certainly will be helpful to me in circulating ideas from Tide to our people here.

K. S. Giniger

Vice-President
Hawthorn Books
New York City

Sirs:

I think the idea of having the perforated tearout feature as part of the magazine is wonderful and very helpful.

M. John O'Donoghue

Director of Advertising
Indian Head Mills
New York City

Sirs:

Three cheers for Tide—for using the perforated edge on your pages in the May 19 issue!

I hope this will be standard operating procedure. Believe me, it is very helpful.

John Lerner

Public Relations Director
American National Red Cross
Boston

Sirs:

It was an unexpected pleasure this morning when Tide came in with the tear-out feature.

I've been thoroughly enjoying that feature in Sales Management since it first appeared. My reference files are packed with easily removed Sales Management pages.

And my battered old jack knife, nicked scissors and beaten-up pliers are having a vacation from wrestling with stubborn staples—also ending mutilation of the pages I wished to save.

Congratulations from a long-time tearer-outter and best wishes for a prosperous future under the new set-up.

John H. Morse

Vice-President
J. Walter Thompson Co.
New York City

Thanks to an overwhelming chorus of approval, Tide will continue to perforate its pages.—Ed.

Consumer credit

Sirs:

We feel that the article, "Is consumer credit volume dangerous?" appearing in the March 24, 1956, issue of Tide, would be of special interest to the readers of Retailer's Review.

RR carries condensed versions of noteworthy articles appearing in the trade press. It is distributed bi-monthly to more than 45,000 store owners and managers in the retail field. . . .

May we have permission to use your article?

Nina Meicher

Editor
Retailer's Review
Madison, Wis.

With pleasure.—Ed.

Words at Work

• What time is it in San Francisco when it's 12:12 in Minneapolis?
—HAMILTON WATCH

• We can get it for you retail.
—N.Y. JOURNAL AMERICAN

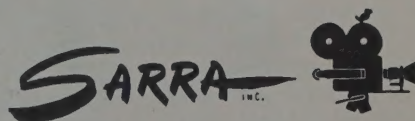
• Why did Nero burn Rome?
—FINE FABRIC SOURCES

• "I can still hear that horrible crash!"
—LIBERTY MUTUAL

• How much does nourishment weigh?
—KELLOGG'S



VIDE-O-RIGINAL is a quality-controlled motion picture duplicate made in SARRA's own photographic laboratory. It is the "pay-off" print for your TV commercial investment and it assures that all the sparkle and clarity of a SARRA original will be faithfully reproduced on the TV viewer's home screen.



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SPECIALISTS IN VISUAL SELLING

More entries for Tide's first spring snicker awards

Couple of issues back (May 5), we announced Tide's First Annual Spring Snicker Awards. We wish we could announce the winners, but frankly we were swamped with such an overwhelming flood of apathy that we haven't been able to pick a winner. What's more, we've gotten several more entries so we've decided to extend the contest into early summer.

Here, in case you get excited over these things, are the latest entries in this thrilling, if unspectacular, contest:

- **To Stitzel-Weller** for developing a "proof selector" jigger for its Old Fitzgerald whiskey. It seems that this distiller, anxious to give drinkers a chance to become their own "rectifiers," has devised a jigger calibrated for 86, 90 and 100 proof drinks. You pour in Old Fitz to the proof level you prefer, fill up the rest of the jigger with water or mixer, and you have a shot made to your own taste.
- **To Ross Operating Valve Co.** of Detroit, for converting one of its multi-purpose valves into a cocktail dispenser for use at conventions and exhibitions. You push one button and out flows a manhattan cocktail, push another and out flows a martini. It's been rumored that the company is now working on an automatic device to fill in when convention guests are no longer able to see the buttons.
- **To the P. H. Hanes Knitting Co.** and **Snow Crop**, for probably the most unusual tie-in of all time involving an underwear manufacturer and an orange juice producer. The product involved is a "Teddy Snow Crop by Hanes" line of infants' sleepers and boys' underwear. This will probably only be topped when a tomato juice producer ties in with a manufacturer making step-ins.
- **To the Gem Safety Razor Division** of American Safety Razor Corp., for hiring an attractive young lady as a shaving expert to teach men how to shave properly. We understand why they picked such a good-looking young miss, but we wonder how they could pass up a natural like the bearded lady in the circus for this particular assignment.
- **To a group of New York public relations men**, for some secret discussions involving the formation of a new PR firm. This PR firm, if it ever becomes a reality, will be called **White-washers & Brainwashers, Inc.** Its serv-

ices will include both the usual publicity programs and any educational campaigns today's client might need.

Case of the missing twin

John H. Poole, president of radio stations KBIG (Catalina, Calif.) and KBIF (Fresno, Calif.), is a man who likes things in their proper order.

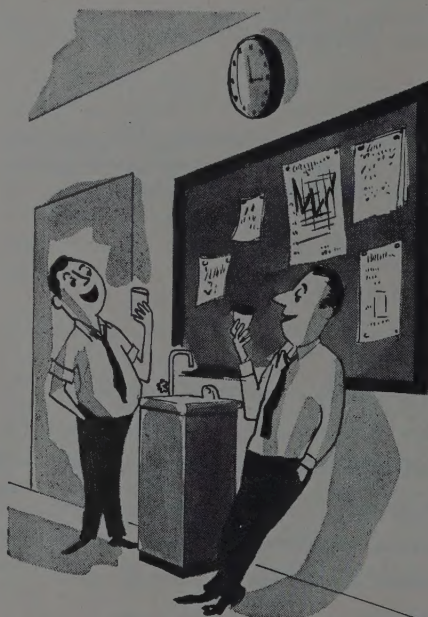
Some time back, Poole bought himself a new Mercury. He liked the car, but one thing disturbed him: the name of the car, spelled out in steel letters on the trunk, said "Meccury." Somewhere, he mused, there must be another Mercury bearing the letters "Mercury."

Shortly after he got the car, Poole had a friend take a picture of the misspelled nameplate and sent it to Automotive News. Sure enough, in far off Deer Lodge (Mont.), a Ford dealer by the name of George Peck responded. In his garage, Peck told Poole, he had the twin "Merrury." Last we heard, they were discussing means of getting the two nameplates straightened out.

Just the thing for admen

A gentleman by the name of Walter L. Green of Washington (D. C.) has the salvation for us all.

U.S. businessmen, Green observed some time ago, are apt to get somewhat groggy after lunch, and in need of a brief snooze before going back to the office. But they obviously can't follow



Caption by—C. C. CHANDLER

"I better go . . . my secretary has some letters she wants me to write."

the habit of their Latin-American neighbors and slump down anywhere for a nap, nor can they stretch out in the office where such activity would have a terrible effect on the staff.

What they need, Green proposed, is a place where—for a modest fee—they can take a brief nap and, if they want it, a shower. That way they can return to the office rested, refreshed and ready to go back to work.

Green suggested the idea to H. Touchton, manager of the Ebbitt Hotel in Washington, and Touchton liked it. So now, for a measly \$1.50, a bellboy will show you to a quiet room where you can catch your forty winks, shower if you like, and come back to your desk without anyone being the wiser.

Sounds great to us. In fact, it might be just the thing for Madison Avenue. Might add years to the life expectancy of thousands of agency men.

Flotsam & Jetsam

- **In San Fernando Valley (Calif.)**, a laundromat offers this hazardous advice to its customers: "Ladies, leave your clothes here, and relax."
- **In New York**, the chef at a well-known restaurant hired an agent whose first act was to get billing for the chef on the restaurant menu.
- **In Vienna (Austria)**, the Austrian Press Agency sent out the following dispatch: "Our building is burning from the cellar to the ceiling. We have to leave the house. End of news."
- **In Atlanta (Ga.)**, a local real estate company advertises "We don't own this earth, but we do sell it!"
- **In New York**, a plush Fifth Avenue candy shop features a do-it-yourself candy counter, invites customers to make up their own assortments from "over 300 varieties of chocolates."
- **In Montreal**, a restaurant advertises itself simply as "The second best restaurant in Montreal."
- **In Arlington (Va.)**, a barber shop posts this sign: "The views expressed by the barbers are not necessarily those of the management."
- **In Washington (D. C.)**, after newspapers were flooded for days with news of the wedding in Monaco, a small journal announced boldly that "This paper contains absolutely no news about Grace Kelly."
- **In Arlington (Va.)**, an ice cream parlor advertises "Teen-age spoken here."
- **In Great Bend (Kan.)**, a local newspaper carried the following classified ad: "You are hereby notified that you shall cash no checks supposed to be signed by me because I never have any money in the bank and never give any checks unless I'm too drunk to know what I'm doing."